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21 December 1971

MEMORANDUM FOR : Mr. [redacted] Historical Officer, Office of Personnel (b)(3) (b)(6)

SUBJECT : PMCD History

1. The history of the Position Management and Compensation Division has been approved for publication by the CIA Historical Staff. The final copy is herewith returned to you for correction of the indicated typographical errors.

2. After the corrections have been made, the report should be forwarded for Mr. Fisher's signature on the enclosed title page.

3. If Mr. Fisher approves the report, it should then be sent to Mr. Robert Wiltse, Chairman, Support Services Historical Board, Room 7-D-02 Headquarters.

4. If he concurs, Mr. Wiltse will return the history to this Staff for reproduction, binding, and numbering. As usual, the history will be disseminated as follows: Ribbon copy to OP, copy 2 to DDS, and copy 3 to the HS documents file.

5. Incidentally, this is an excellent typing job--probably the best that I have seen on any final copy to-date. Please say a kind word to the typist for me.

[redacted] (b)(3) (b)(6)
/Jack B. Pfeiffer
Support Services Historical Officer

Distrib.
O&1 - Adse
1 - R. Wiltse
1 - ChHS
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PMCD History

Historical Officer/OP
626 C of C

17 December 1971

SSHO
203 Key Bl.

Jack:

Per our conversation this is Frank John's redo of the PMCD History. If it is OK'd by the Historical Staff, I presume the next step is approval by D/Pers.

John J. Caldwell

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THE SUPPORT SERVICES HISTORICAL SERIES

OP - 9

OFFICE OF PERSONNEL
THE POSITION MANAGEMENT AND COMPENSATION DIVISION
1946-67

by

Frank G. Johns

December 1971

Harry B. Fisher
Director of Personnel

HISTORICAL STAFF
CENTRAL INTELLIGENCE AGENCY

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The history of the Position Management and Compensation Division of the Office of Personnel portrays the administration of the Agency position classification program under two different sets of circumstances: (1) the early period -- 1946 through mid-1949 -- when the US Civil Service Commission (USCSC), the Federal central personnel agency, retained final position classification allocation authority over CIG/CIA positions; and (2) the period from mid-1949 through 1967 when the CIA Director of Personnel directed an independent Agency position classification program. In both instances, the values of a sound position classification program -- even as summarized by a leading specialist 1/* in the field nearly thirty years ago -- remain constant:

> Position-classification is an administrative instrument of wide usefulness and value in personnel administration. It groups individual positions into classes of positions on the basis that has real meaning in personnel administration. By emphasizing an impartial scientific approach, it helps avoid a purely personalized treatment of work and pay problems. It aids recruiting and testing authorities by making it possible to hold tests for classes of positions instead of a larger number of tests for individual positions having immaterial differences and by furnishing for each class a picture of the work to be performed and

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* For serially numbered source references, see Appendix J.

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a statement of qualification requirements. In its use as a sound basis for a fairly administered pay plan, it serves the interests of the people, the taxpayers, the Operating Officials, and the employees. Its system of class titles constitutes a uniform job language defined in class specifications, which in itself provides a base for common understanding among all those agencies and officials having to do with personnel administration. It facilitates the preparation of informative budgets for personal services; clarifies promotion and transfer transactions; aids in developing service (performance) rating plans and training programs; aids in planning, clarifying and improving organization; facilitates the development of good employee-management relations; and makes it possible to keep significant service records and compile meaningful personnel statistics.

In these and many other ways it serves as a facilitating instrument for personnel management and administrative operation, and as a specific tool for conducting many types of transactions involving the public, present and prospective employees, Operating Officials, accounting, budgeting and appropriating agencies, and the personnel agency of the jurisdiction. It is this broad usefulness which makes a well prepared, currently maintained classification plan for positions the keystone in a sound system of public personnel administration.

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OFFICE OF PERSONNEL

THE POSITION MANAGEMENT AND COMPENSATION DIVISION

1946-67

I. The Beginning of the CIG/CIA Position Classification Program, 1946-49

A. Background

The history of the Position Management and Compensation Division (PMCD) for the period 1946-67 presents a unique panorama of public administration in action. The Division program always supported management and expanded and adjusted itself to meet changing internal requirements during these two decades. Initially, PMCD was responsible for the administration of the Agency position classification program and related compensation activities; since 1965, however, it has been responsible for the direction of both the Agency position management and position classification programs. In addition, external controls exercised by the Civil Service Commission (CSC) were removed by legislative action in 1949, thus affording program administrators an unusual amount of independence and freedom of action in determining program parameters.

Although top management's policy decision was "to follow the Classification Act principles and policies" to the

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extent practicable, the Civil Service Commission completely relinquished to CIA its position classification authority. Thus the extent to which the Agency adhered to CSC classification policies became solely an in-house administrative policy matter. On the other hand, adherence to the Classification Act's pay plan was never questioned, especially when the Congress proposed and enacted legislation on pay increases. Finally, these program administrators were indeed fortunate to be operating in a new agency environment where administrative authorities were such that research could be generated to meet new requirements and full exploitation of new ideas could be undertaken with freedom of action. Proposals involving new classification and compensation systems, for example, were developed in an effort to meet specific challenges by operating officials.

Although position management may sometimes sound like position classification and some may think they are synonymous, they are not. Although both deal with positions, position management concerns itself with organizational structure, alignment of functions, number of positions at different skill levels, occupational levels required to carry out missions, ratio of professionals to clericals, number of supervisors to work force, and overlapping of responsibilities. Position classification, on the other hand, is concerned with how the position should

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be classified -- where it fits into the classification plan that applies to it and other positions like it and what its title and pay level should be under that plan. Thus the position classification process must be preceded by position management decisions, which are a function of organization managers.

Several important concepts have been touched upon in the preceding paragraph and should be discussed in another administrative frame of reference. The Agency employee's position classification grade information is almost immediately translated into a salary or pay determination and, later, into relationship to the current classifications and pay levels of his co-workers. Sound pay practices are also integral to good management. In addition to being interlaced with employment considerations, they are also tied into organizational design and Agency budget-financial planning and control. Therefore the decision of more than twenty years ago (1949) to adopt the principles and policies of the Classification Act (although the Agency was legislatively exempt) and its salary schedule has certainly enabled Agency management to relate more easily to the Bureau of the Budget (BOB), to Congressional committees, and to other Federal agencies in terms of being able to speak the same position language in evaluating and justifying the personnel costs of various national intelligence programs. More

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significantly, however, the Agency, under its own authorities, has also been able to develop and administer additional "special" classification plans and pay schedules independently as Agency programs demanded. For example, the Foreign Broadcast Information Service (FBIS) employed a number of foreign nationals overseas in professional positions. No other agency had this manpower problem, and CIA had to go it alone and develop its own foreign national classification and wage plans.

During the early part of the post-World-War-II period, the CSC continued to retain its Government-wide classification authority and responsibility for approving the classification grades for all Federal agencies' headquarters positions subject to the Classification Act of 1923, as amended. During World War II, the Office of Strategic Services had been organizationally attached to the Joint Chiefs of Staff (JCS) and on headquarters positions encumbered by civilians received prompt classification support from both the JCS and CSC classification personnel. As was the practice, the OSS classification unit evaluated and approved all civilian field position allocations independently. Many OSS headquarters and field positions, of course, were encumbered by military personnel. From January 1946 to June 1949 the CSC continued to operate essentially in the same manner with CIG and CIA as it had during the war with

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OSS. The CSC exercised final classification authority over headquarters position proposals. CIG/CIA, on the other hand, had field position classification authority for its own organizational field elements.* The CSC's authority to classify CIA headquarters positions naturally had a continuing and positive impact on the grades of subordinate field positions. It is a truism that headquarters program director classification grades have always served as "ceilings" for senior-level field position allocations.

The development of the Agency's position classification program is intertwined with increasing and changing requirements levied by Agency management in response to its assumption of new national intelligence collection and production programs and/or programs of common concern, the inter-agency transfer of on-going intelligence production programs, and the recapturing and expanding services of common concern previously assigned to OSS and other organizations.

There were, in fact, a number of OSS administrative and personnel specialists who were able to furnish CIG much needed support during the spring and summer of 1946. Several

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position classification specialists were in this group and were immediately pressed into service. Before the end of that summer, however, it was apparent that as funds became available, and CIG would be granted authority to recruit for Agency positions, additional personnel generalists and position classifiers would be required. Gradually, then, the personnel staff expanded -- but pretty much on a one-by-one basis through the fall of 1950.

The CIG, however, was an "interim" organization, not yet created (officially) by Congressional action, which was beginning to develop form. This minor technicality notwithstanding, the CIG faced a wide variety of position management and position classification problems that needed timely resolution. The Dulles Survey Report of CIA states that during the first three years of operation, the directing Staff of CIA had not demonstrated an adequate understanding of the mandate of the organization or the ability to discharge that mandate effectively.2/ This criticism of Agency management was not fully supported by the NSC members; they also knew about the modus operandi of the ICAPS and IAB/IAC where the "majority" rule was in effect on all intelligence programming decisions with compromise being the order of the day rather than the exception. Complicating this was the fact that during the first eighteen months of CIG/CIA's existence, this embryonic organization had

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three directors -- all effective military and naval commanders -- who each held unto himself representation responsibilities but somehow defaulted in making program and position management decisions.* The leadership ability of none can be questioned; all three, however, had short-term exposure (prior to the passage of the National Security Act of 1947) to programming, organization, and staffing problems of this new US intelligence organization.

Both internal and external pressures further complicated the decision-making process. Although these DCI's were all "feeling their way" and approached the programming problems in a cautious manner, most of their decisions appeared logical to them. Position management decisions vacillated, however, with a number of intelligence programs and support activities being grouped and regrouped from time to time.

In any event, CIG needed an experienced staff of position classifiers as soon as the organization opened its doors. This was true even in the early months when CIG had to resort to "detailing" personnel in from State, War, and Navy. Management needed technical assistance in defining the jobs to be

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* Rear Admiral Sidney W. Souers, 23 January 1946-10 June 1946; Lieutenant General Hoyt S. Vandenberg, 10 June 1946-1 May 1947; Rear Admiral Roscoe H. Hillenkoetter, 1 May 1947-7 October 1950.

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done as well as in describing personnel requirements to be levied on these three departments. Initially, CIG took advantage of the availability of "in-house" (SSU) position classification specialists, who worked closely with officials in making reasonable position management decisions regarding those programs approved by the NIA. These decisions resulted in the preparation of organization charts and/or Tables of Organization that were supported through the development of detailed position descriptions prescribing both the levels and the parameters of proposed assignments. This latter phase -- the position classification process -- was the final administrative step before the classification officer would make the Agency presentation to a CSC representative.

Face-to-face dealings with the CSC representative usually required that the Agency classification officer make a verbal presentation (sometimes written statements were also required) on the importance of a new program's mission, the detailing of the importance of legislative and/or administrative authorities and the technical basis for administrative recommendations for each newly proposed position. From time to time the CSC representative would interview program officials

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for clarification and further justifications.*

This penultimate step involved a detailed review and analysis by the CSC representative of the classification proposals in relation to pertinent CSC classification standards and/or (when there were not any CSC written standards available) comparison with other similar Federal position classifications. The CSC representative always had three alternatives -- to approve the classifications as requested, to downgrade them, or (rarely) to upgrade them. Finally, whatever the CSC decision, the Agency had to be made aware of it; and it usually fell to the lot of the classification officer to be both the recipient

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* Critics of the CIG and early CIA administration in terms of their apparent lack of appreciation of program mandates might give a moment's thought to external pressures and problems that the President and the Executive Branch were facing in attempting to convert the US economy from a wartime to a peacetime basis. All defense agencies were being subjected to budget and ceiling cuts in favor of expanding those agencies being geared to assist in the reversion to a civilian economy and those trying to help the returning servicemen find their niches in society. Thus the NIA departmental representatives were not inclined to be too liberal in making other than a minimum amount of funds available to CIG to get new programs underway. Furthermore, the three Secretaries (State, War, and Navy) required the DCI to agree to prudent spending of such funds in the same manner as he would if they had been appropriated directly to CIG. The CIG Budget Officer accepted these transferred funds from these sources as well as SSU and other going programs and entered them into the "CIG Working Fund." These allocations were administered in the same manner as any Federal Agency budget. Having served in a dual OSS/CIG capacity during this period, Miss Ruby Johnson, Assistant Executive Officer, Office of Finance, in an interview with the writer on 23 October 1970, explained the mechanics of these CIG financial arrangements.

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and the bearer of the news.

Some of the news was good, but much was bad! Agency management faced many trials and tribulations in assuming responsibility for new and sometimes seemingly unrelated intelligence collection, research, production, dissemination, and covert action programs. Perhaps the Agency was in need of an external scapegoat for its own "mismanagement," if it could be so described. It must be remembered that the CSC was responsible for a government-wide classification program, and every new or unusual classification or reclassification could become a new "benchmark"* to be used by other agencies to support the reclassifying of their own positions to higher grades. After June of 1949, of course, the Agency assumed the responsibility for classifying its own positions and, to a certain degree, a "security" curtain was available to contain in-house information concerning its own classification philosophy.**

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* A position classification becomes a "benchmark" when it is used as a standard or guide for the classification of similar positions. This applies equally to weak and strong position classifications.

** Information on CIA classifications was, however, made available to IAC exempted agencies upon request. Subsequent to its establishment as an exempted Agency (in November 1952), NSA sought CIA's advice about a reclassification proposal for their "senior journeymen" security-officer positions. Based upon CIA's approval of GS-13 grade for its own resident agent, independent senior investigator, which in turn had been based upon the FBI's resident agent position classification, NSA reclassified their positions to GS-13 also.

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B. CIG/CIA Position Classification Activities, 1946-49

As in all new organizations, getting started presented many different kinds of classification problems that had to be faced individually and day by day. Initially, the CIG organizational structure was very simple, composed of only three organizational components -- the Central Review Staff, the Central Plans Staff, and the Personnel and Administrative Branch -- with a total [redacted] T/O positions. (b)(3) The three SSU position classifiers worked closely with CIG officials in preparing and clearing with the CSC these position descriptions for encumbering by Federal "detailed" personnel. Early in FY 1947, however, not only did Lt. General Hoyt Vandenberg secure a more definitive CIG charter but he was also granted authority for the independent hiring of personnel for CIG programs (rather than rely on State, War, and Navy detailing personnel, which after six months' experience could best be termed "a dismal failure.") During this time CIG began to accept the transfers-in of a variety of overt and covert*

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* OSS covert intelligence activities were technically transferred to CIG, but such action was deliberately camouflaged by an NIA directive which assigned the responsibility of administration of the SSU unit to the DCI. This responsibility also included the right to select OSS programs, operations, and personnel to be retained in CIG's peacetime intelligence organization. Indeed, this maneuver circumvented a personnel Reduction in Force (RIF) procedure.

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intelligence programs, activities, operations, and services of common concern. As these programs increased in number and the Agency in size, administrative support activities also had to expand to meet new, constantly increasing in-house demands. These too required classification review so that support activities could be augmented as rapidly as possible.

Other new Federal organizations have experienced top management's failure in early recognition of an increasing need for additional support personnel, and the CIG's management was also remiss. Throughout this period and during the first part of the 1950's, the Classification Program was never really staffed adequately. In a way, therefore, it was fortunate that the funds made available for these initial programs of CIG were not excessive. Consequently, program managers were apparently willing to permit their organizations -- functions, positions, and personnel -- to be transferred in toto (from service organizations to a central agency) sans requests for upward position reclassifications projected on anticipated broader missions and programs in serving the entire community. Functional transfers, it was true, were thus expedited; but this approach may have had a negative impact on subsequent Agency reclassification requests to the CSC without strong program justifications.

Other factors, too, certainly had impacts on these

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position classification reviews. For example, a 1947 classification survey of the FBIS program -- all headquarters and field positions -- certainly resulted in, if anything, increasing the ill feeling of Agency management toward the CSC. FBIS had proposed reclassifications for its editor positions from GS-09 to GS-11 in both headquarters and field stations, along with grade increases for editorial supervisors and bureau chiefs and a two-grade increase for the C/FBIS -- from GS-13 to GS-15. Using its field position classification authority, the CIA classification officers had approved the requested field upgradings* before the CSC classification representative had made his decisions on the FBIS headquarters positions.

When the CSC official refused to approve the GS-11 reclassification for the FBIS headquarters editor positions, the administrative justifications for all supervisory editorial and program officer positions were somewhat weakened and the headquarters reclassifications upward were also disapproved. In addition, the two-grade reclassification request for the C/FBIS resulted in a GS-14 grade allocation instead of the GS-15 recommended.

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* Although the FBIS field positions had been upgraded, promotions were held in abeyance until the headquarters positions could be reviewed by the CSC. To have done otherwise would have complicated the rotation of field and headquarters editors.

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In early 1949* new position descriptions were prepared for most FBIS positions with strong emphasis on the increased importance of its mission resulting from transfer to CIA. Further, its own reorganization had resulted in additional responsibilities being vested in many of the FBIS positions. This time the CSC approved a large number of the upward reclassification requests for the FBIS editors, supervisory personnel, and the C/FBIS.3/ This solution, long overdue, was only the forerunner of the problems that the CIA classification program administrators would face after CIA secured relief from CSC control.

In some cases, position management decisions on new programs and organizations just were not forthcoming; yet personnel had to be recruited. Personnel qualifications had to be developed, of course, before recruitment could be undertaken. This problem faced ORE officials when the NSC directed the Agency to undertake a comprehensive scientific intelligence production program (incorporating the nuclear energy intelligence group that had previously been transferred to the Agency from the Manhattan Project). ORE management -- non-scientists -- just

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* The DAD/OO, who had previously served as C/FBIS, was a staunch defender of the requested reclassifications and had periodically attempted to move the CSC review to as early a date as possible.

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couldn't decide on an SI organizational structure. It was obvious that position descriptions (which would include levels of projected assignments and pertinent qualifications requirements) had to be prepared and approved by the CSC representative, and one of the newly recruited position classifiers* came to management's rescue by suggesting that the classification officers write position descriptions for P-1 through P-8 levels for all of the scientific disciplines and have the CSC approve them for interim use.** This was done and the scientific intelligence program became, initially, a branch of the rapidly expanding ORE. Within a short period of time, the program began to develop more fully; and the position classifiers were again

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* [redacted] a former CSC classifier who came to CIG in January 1946, in an interview September 1970 indicated that this classification approach was "old hat" with CSC and operational classification officers who lived through the overnight expansions of WW II war agencies but it had not previously been used in OSS/CIG/CIA.

** Before 1949, P-1 was the entrance level and P-8 was the senior level on the Professional Schedule under the Classification Act of 1923 as amended. This Schedule was incorporated into the General Schedule under the Classification Act of 1949. Interestingly, this integration of the eight grade levels of the professional schedule into the upper thirteen grades of the General Schedule resulted in placing the first four professional levels in GS-05, GS-07, GS-09, and GS-11. As various administrative occupations became "professionalized," these same levels were used with the result that the even-numbered grades (GS-06, 08, and 10) fell into disuse.

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called in to assist in its transition to the Office of Scientific Intelligence.

A different set of problems faced Agency position classifiers in dealing with the Office of Special Operations (OSO). This was the CIG/CIA mother organization that housed the former OSS SI and X-2 branch functions serving under continuing OSS management, which wanted to -- and continued to -- operate under covert autonomy. The term "covert autonomy" implied that the (OSS) official having operational responsibility for a covert program should also have administrative responsibility. This precept, condoned by the Dulles Survey Team, plagued the implementation of support services to clandestine operations throughout most of the early period of CIA. This was also true with the support effort of the position classification program.

Because the record is somewhat hazy, it can be assumed that initially the SI and X-2 branches were not subjected to much classification review; these functions had been "transferred" to CIG for administration by an NIA directive in June 1946. A similar situation prevailed in the fall of 1946 when the FBI's Latin American CI functional activities and personnel were transferred to OSO.* As OSO took steps to reorganize and

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* OSO was established on 11 July 1946.

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define its CIA program responsibilities, however, the position classification specialists had to be called in to help OSO establish its world-wide program. With new OSO departmental positions, of course, the CSC representative also had to approve their classifications. For reasons of operational security, OSO (and later OPC) position descriptions had to be sanitized* before being presented to the CSC representative for his approval. Further safeguards required that these documents remain in CIA custody, thus inhibiting the CSC analytical review and comparison with other CSC classifications available only in the CSC headquarters.** Interestingly enough, the CSC operated under this less than satisfactory arrangement for three and one-half years. Eventually both organizations came to the realization that such arrangements were not in the best interests of either and "exempting" legislation was the answer.

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* Operational data had to be deleted from such documents, and the residual data left for the position descriptions was almost void of any significant classification factors -- i.e., size and nature of the program, operation, number and level of personnel supervised, etc. As substitutes in these "general" position descriptions were well-worn classification terminology such as "trainee" level tasks, "full professional level" assignments, first line supervisor over a group of journeymen professional IO's, etc.

** This procedure might be likened to comparison shopping except that the purchased items would never be permitted to leave a seller's premises -- making detailed analyses almost impossible.

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Internally, OSO-Personnel Office relations were strained. It was clear that the OSO continued to operate under the principle of covert autonomy as had been the practice in OSS. In October 1947 Mr. William Kelly, the Director of Personnel, asked Mr. George Meloon, a new senior CIA Personnel Officer recruit, to survey the functions and staffing of the CIA Personnel Office.4/ Meloon's report on the Agency classification activities in support of the OSO was extremely negative. "One very great deficiency in this program is the attitude of OSO toward classification. No desk audits are permitted and certifications from the OSO personnel office are accepted as to the proper assignments and grades. As best as can be determined, there is not an individual in the OSO personnel office who has had any classification experience or training." (By this time, the OSS position classifiers had been transferred to the central Personnel Office.) " ... I was shocked to find that the OSO Promotion Board, chaired by ... , the Personnel Officer, not only voted on the promotions of the individuals but voted on the grade of the job at the same time ... the jobs were not classified by a trained person, as a matter of fact, they are not classified at all ... . Another thing which appears to require some education is the policy of hiring people three or four grades below the grade at which the job is established.

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It appears as though a one-grade differential is all that should be permitted."*

OSO was a recalcitrant client of the Agency classification staff, restricting the number of classifiers who could deal with its officials and furnishing only the minimum of operational details in support of its classification requests. As Mr. Kirkpatrick had pointed out in October 1950,5/ the OSO program was the oldest (OSS/CIA) program; but it also had the most difficult time in addressing itself to its postwar, peacetime renaissance in an objective and "real time" fashion.

During this early growth of the Agency, the Classification Division had to initiate those support activities that were required by Agency programs. For example, the Agency "housekeeping" activities (eventually assigned to the Office of Logistics) required the employment of blue collar -- crafts and trades -- workers. Because the CIA Classification Division had only a small staff and Agency projections revealed that these blue collar positions would be in a fairly limited number,

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* Mr. Meloon may be accused of using loose language here, but he was referring to two personnel policy issues that took almost a decade to resolve -- high-graded job projections with lower graded personnel incumbencies and the exercise of covert autonomy as a means of handling personnel matters, such as a classification review, for which the unit had neither the authority nor the trained personnel.

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the question was raised: "How can CIA classification people best handle this requirement?" One way was to establish a CIA Wage Board plan or, alternatively, to "adopt" the Army Wage Board standards and apply the results of the periodic Army/Air Force surveys of prevailing local wage rates in the several crafts.* Many Federal agencies had already recognized that these DOD civilian personnel units were leaders in the field of wage administration and had adopted pertinent segments of their systems administratively.

CIA did likewise and found it a solid evaluation system that permitted the classification of both "run-of-the-mill" blue collar positions and those having unique duties required for CIA operational support.**

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* The Army was the leader in the wage administration field before the Air Force was even established as a separate service. The Army wage administration personnel had forged ahead and developed a multitude of job standards that were applicable to Agency maintenance jobs. When the AF was established in 1947, AF personnel developed those job standards that pertained to aircraft repair and maintenance and also used those Army standards that were applicable. However, both Army and Air Force personnel joined together -- as principal employing agencies of these blue collar workers -- to conduct wage surveys and published their findings as a joint effort. In 1968 the CSC was made the coordinating agency for the Federal Wage Board system and assumed both of these responsibilities.

** Of course, the impact of an employee's performing unique tasks for Agency operational activities upon his job classification remained an in-house secret.

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Wage administration is a tricky business, and some solutions just never worked out. For example, CIG decided in 1946 to classify the positions of printers assigned to security documents work (TSD function) under the white collar (CAF) schedule. Initially, the solution appeared satisfactory as the pay levels on that schedule were close to the going rates in the industry. Rapid wage increases in the printing trades, however, soon put the Agency in an untenable situation for both retention and recruitment of printers. After study, the Agency decided to adopt the rating patterns and wage schedules of the Bureau of Engraving and the Government Printing Office, which were keyed to rates in 25 US cities and were approved by the Joint Congressional Committee on Printing.

In another early case (1949) the Agency classification personnel were not surprised when FBIS reported conditions surrounding the employment of natives (and foreign nationals) changing as war-time governmental controls were relaxed. Continuous reclassifications were in order, and controls moved from state-controlled employment situations [redacted] where (b)(3)
local workers were available to the US Government units through
(b)(3) assignment [redacted] to an "open market" -- all US Government agencies in a given overseas area found it necessary to band together to act as a single Federal employer,

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setting local wage schedules based upon prevailing wages for various skills in a particular area.

A bit more sophisticated was the need for the development of classification and pay plans for highly educated and trained foreign nationals (third country citizens) for foreign language broadcast and publications monitor positions in FBIS' overseas bureaus. As these "classification and pay" problems developed, FBIS sought assistance from Agency classification officers. Considerable liaison on overseas classification and pay matters with position classifiers and wage analysts in State, Army, Navy, and Air Force became a requirement. Staff research into both Federal and industrial pay practices and fringe benefits was necessary, but many of the problems had to be resolved independently in the form of Agency classification and pay schedules that would insure that FBIS could recruit and retain the required types of professionals. Sometime later, when Clandestine Service case officers for major overseas radio projects found themselves harassed by similar classification, pay, and fringe benefit problems, they were able to call on the experts in the Office of Personnel for assistance.*

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* Because of security problems, however, the C/CWD found that he had to contract these requirements out to a top-flight US management consulting firm. Survey reports and recommendations were reviewed and seconded by the Office of Personnel before implementation by these organizations. This was "another important 'first'."

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The term "services of common concern" is most often reserved for those CIA services in support of the intelligence programs of the USIB community, and it rarely involved the Agency's Office of Personnel. When the NSC was established in 1947, however, Mr. James Lay, the Executive Secretary, requested that the CIA Personnel Office provide the council with necessary personnel support. This arrangement continued until 30 June 1961. Although this high-level inter-agency staff secretariat continued under CSC classification control, Agency position classifiers remained available to prepare position descriptions and recommend appropriate classification actions on such positions as were designated by the Executive Secretary of the NSC. This support was in addition to personnel recruitment and personnel processing responsibilities.

Other tasks of the Classification Division involved the monitoring of all personnel actions promoting, assigning, or reassigning employees into Agency positions that were current, correctly identified, and located in on-going programs. The Classification Division was also responsible for maintaining up-to-date organizational charts and tables of organization for all Agency components. As a large number of organizations were established and then reorganized during this period, these chores seemed endless.

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Although the National Security Act of 1947 gave CIA status and mission, it was PL 110 of 20 June 1949 that provided administrative authorities consistent with the Agency's statutory responsibilities. Less than a fortnight after the passage of PL 110, the DCI acted upon a recommendation* that he seek an opinion from the CSC regarding the applicability of the Classification Act of 1923 (as amended) to CIA.6/ The official judgment of the Commission, based upon sections 7 and 10(b) of the CIA Act of 1949, was that the Agency was not required by law to follow the Classification Act, and that the Commission

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* Both Mr. William Kelly and Mr. Dorsey Delavaigne recently (1970) recollected that the initiative for "the Agency severing the classification cord with the CSC" was taken by Mr. Delavaigne, the CSC Classification Officer. The story went that he had felt that the CSC role with CIA was sadly deteriorating and the authorities in PL 110 seemed sufficiently broad so that the Agency could be exempted from the Classification Act. With considerable personal confidence he "sold the idea to the Director of Personnel, CIA." Mr. Delavaigne then voluntarily drafted the letter, for the DCI's signature, to the CSC requesting its interpretation of this matter.

With the letter's successful movement up the CIA administrative hierarchy, Mr. Delavaigne -- in his CSC capacity -- prepared an affirmative response.

It is interesting to note that CIA Personnel did not attempt to clarify its personnel appointment authority under PL 110 until 1953, several years later. The prime reason that it came about then was that the CIA "career service" concept had come into vogue, and it was decided that it was high time to find out whether the Agency could in fact make appointments under its enabling act rather than use the Schedule A authority that the CSC continued to renew automatically annually.

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therefore was not required by law to enforce that Act within CIA.*7/

Apropos of this, Mr. William Kelly, the CIA Director of Personnel, had held discussions with Mr. Robert A. Stricklin, his Chief of Classification, and Mr. Dorsey Delavaigne, the CSC classification representative. Discussions included an exploration of the status of the Agency's position classification program as well as Agency relations with the CSC. As to the latter, it was the consensus that CIA/CSC classification/management relations, during the three-year period then ending, had not improved one iota, principally because security restrictions limited the information on Agency programs to such a degree that the CSC could not fully evaluate Agency position descriptions. On 1 September 1948 the Office of Policy Coordination (OPC) was established in CIA with covert-action program responsibilities. With its singular, sensitive missions, it was not long before OPC joined OSO in withholding highly sensitive program data from the CSC representative thus compounding Agency/CSC classification problems several fold because both OSO and OPC were rapidly expanding. The three-year period

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* This administrative interpretation was "legalized" when the CIA was exempted in the Classification Act of 1949, passed a few months later.

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1946-49 did provide the CSC an opportunity to recognize the uniqueness of specialized occupational areas in CIA.* Although the problem was discussed, the Director of Personnel never determined specifically what course of action the Agency should take in establishing and administering its own classification program.** As it turned out, this decision was made by the DCI himself during the summer of 1949. With the position classification authority issue resolved in this way, it was not surprising to find that the same approach was used shortly thereafter in seeking clarification from the General Accounting Office on the Agency's authority in another important area -- pay.

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* Certainly other important administrative considerations of the CSC were the growing awareness that the "full" CSC representation job could never be accomplished under Agency security requirements that made impossible CSC research on comparable Federal jobs; placed extra travel requirements on the CSC classification "group" leader -- for a number of Federal departments -- who was also required to travel to CIA to allocate the higher grade classification proposals (as the Agency began to expand, this problem could only become more accentuated), and -- of probably the greatest bureaucratic significance -- CIA was the only Agency that had been able to retain its official CSC classification documents, registers, and the like. If continued, the latter arrangement would eventually end up as a "CIA-controlled CSC classification annex."

** At this time the exempted Atomic Energy Commission, the Navy Department, and Veterans Administration (both of the latter two agencies were either fully or partially under the Classification Act jurisdiction) were busily engaged in developing point rating classification systems for several categories of their positions.

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On 28 October 1949 while the Classification Act of 1949 was awaiting the signature of the President, Mr. Walter Pforzheimer, the CIA Assistant General Counsel, presented his analysis of this Act to the DCI. This was very prudent in view of the fact that the DCI on 10 August 1949 had decided that the Agency would follow the policy and principles of the Classification Act of 1923, as amended, even though it was exempt.8/ This analysis 9/ then was in terms of legal and administrative problems that the Agency might have in continuing to follow this policy under the pending revision of the Classification Act. The new legislation established a single General Schedule to which Federal employees under the Professional, CAF, and CPC schedules of the previous act were to be transferred. Underscoring the act's provisions, the AGC did not anticipate any administrative or legal problems in transferring Agency employees in grades 1 through 15 from the three previous schedules into the General Schedule. His analysis concerned, rather, the administrative problems that might be associated with the DCI's approving and encumbering Agency executive positions at the newly authorized "supergrade" (GS-16/18) levels. There again, he did not question the DCI's authority to classify such positions under PL 110 authorities. His major concern was that Agency certifying officers and GAO auditors might have questions

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as to what the Comptroller General's interpretations of the provisions of the Classification Act and PL 110 would be. If so, they would find it necessary to suspend payment of pay vouchers for Agency supergrade personnel until such questions were officially answered. (In Federal financial matters, it was the Comptroller General of the United States who always had the last word.)

Because even CIA executives like to be paid promptly, it was recommended that this question be formally submitted to the Comptroller General for immediate interpretation rather than after payroll suspensions had occurred. This was done.10/ The CG responded promptly and affirmatively, indicating that the DCI did have authority under PL 110 to allocate Agency positions to the three supergrade levels without numerical limitations (except for not more than three professional and scientific positions as limited by PL 110); and furthermore, under Section 10, the DCI had the authority to pay for personal services without regard to limitations on types of persons to be employed ... .11/

The official recognition of the Agency's broad authorities in PL 110 by two competent, cognizant Federal authorities was to bring to a close the CIA "operating agency" classification program which according to some had been dominated too

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long by a bureaucratic CSC. In all fairness to the CSC representative, Mr. Delavaigne, he was trying to do an effective classification job in accordance with the CSC's standards. Unfortunately he found himself the CIA scapegoat -- largely because some program managers were seeking freedom of action from all but the most flexible of internal and external administrative controls. This philosophy did, unfortunately, permeate a large segment of the organization and was eventually contained several years later only through external controls levied on the Agency by the Bureau of the Budget.

Agency management faced the initiation of an Agency classification program with mixed emotions, but to the professional cadre it was clear that in the position classification area, program administrators should seek:

a. a clear-cut Agency classification policy;

b. a strong but flexible Agency position classification program oriented toward the intelligence profession and centrally administered in such a fashion that it would be responsive to a wide variety of activities yet remain an Agency-wide program;

c. full support of Agency management; and

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d. As program requirements dictated, an enlargement of technical competency of the position classification staff so that it could be fully responsive to increasing Agency needs.*

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* The remainder of this history of the CIA Position Classification Program has been organized on a topical-chronological basis. Thus, in order to integrate and make these several program segments more meaningful to the reader, the historian has included a chronology of internal and external events of program significance (see Appendix A).

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II. The CIA Classification Program in the 1950's

A. The Beginning

In the summer of 1949 the Agency found on the one hand that it was suddenly free from the classification authority of the CSC (and its so-called bureaucratic control of Agency classification activities) and on the other hand that the DCI had made a profound personnel policy announcement that the Agency would continue to follow "the basic philosophy and principles of the Classification Act, the CSC allocation standards, the pay scales and ... pay rules ... in substantially the same manner provided for in other Agencies" in the administration of the CIA classification program.12/

This policy issuance, of course, reduced the urgency for the Agency to establish immediately a fully structured classification program.* As a matter of fact -- although Mr. Robert A. Stricklin, the senior Agency classification officer, had held a number of "brain-storming" sessions with staff members and other cognizant personnel officers on the parameters of what might be

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* An interim solution was found for about 14 months (September 1949-November 1950) by the establishment of a two-man Position Classification Review Staff in the OD/Pers. A central review provided for uniformity within the Agency of the classifications proposed by the two operating classification units.

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needed in an independent CIA classification program -- the actual formal program planning and its implementation were to be postponed until 1951-52.

As the Agency expanded from 1949 through 1953, every effort was made to recruit experienced position classifiers in order to meet the heavy and increasing demand for reviewing and approving literally thousands of newly proposed positions to keep abreast of and reasonably current with the many routine personnel actions. The Agency found, however, that it was to have limited success in recruiting (or proselyting) experienced classification personnel. As a matter of fact, it was not until 1951-53 that the Agency was able to recruit a large number of classifiers. This was accomplished as a direct result of the anticipated termination of a number of position classifiers from "control" agencies -- the National Production Authority, the Wage Stabilization Board, and others -- established during the Korean War.

In addition to the general post-World War II shortage of qualified classification personnel, there were other factors that complicated the furnishing of necessary classification support to Agency components. Foremost among these were:

1. The highly classified and sensitive nature of programs, operations, and projects of many of

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the Agency's missions, which did not remain fixed from year to year but varied in response to changing, unpredictable intelligence requirements.

2. The rapid expansion of Agency strength that dictated expeditious approval of proposed Tables of Organization so that early recruitment of personnel could begin and detailed position classification could be accomplished after the fact.

3. The specialized nature of many Agency intelligence production, collection, and operational positions for which there were no direct counterparts or existing allocation standards either elsewhere in the Federal government or in US industry.

4. General lack of familiarity of Agency officials with -- and lack of concern about -- the mechanics of Federal position classification procedures and practices to which the Agency was administratively committed.

B. Augmentation of the Classification Program

It was not until after General Walter B. Smith became DCI (7 October 1950) and General Order #38 had been promoted (1 December 1950) 13/ that the classification activities of the Office of Personnel began to be taken seriously. This Order

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provided, among other things, for the establishment of a DD (Administration) position the incumbent of which would coordinate the several administrative programs of the Agency. Because these functions had been scattered throughout the Agency, in order to implement this Order the DDA asked his newly appointed Office Heads to take those steps necessary to centralize their assigned functional programs as quickly as possible. On 14 February 1951 the Director of Personnel 14/ formally advised him that the Office of Personnel had been reorganized completely by combining previously split operations into centralized functional programs. The Director of Personnel pointed out that the classification and wage administration program, of course, was one of the Personnel programs fully centralized at this time; that for the first time in two years, the Office of Personnel Table of Organization had been increased -- (b)(3) [redacted] Even with this long overdue Office of Personnel staff increase, the Agency ceiling had risen [redacted] by (b)(3) September 1951.

This T/O increase did provide twelve additional positions for the classification program and, as mentioned earlier, these positions were filled by senior level position classification officers recruited from various agencies undergoing program

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curtailments. Fortunately, these highly experienced position classifiers were capable of dealing with Agency management on T/O proposals involving 50, 100, 200, and even 500 positions for offices or major components.* In order to avoid "hang-ups" in the T/O process, it became an administrative-personnel policy that on questionable (not fully supported) position classification requests CWD would "slash-grade" the position classifications in dispute. The lower grade (shown on the T/O) would represent the CWD's tentative appraisal of the worth of the position and the upper grade would represent that which the program manager had requested. Ultimate resolutions of "slash-grades" were

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* In order to cope with the classification processing workload generated by these newly established directorates, a modus operandi evolved within the Agency that was to expedite the management and classification approvals for staffing patterns and organizational structures for these components seeking immediate resolutions of these kinds of problems. The mechanism that seemed to fit these needs of the Agency was the Table of Organization concept. The T/O's were used as planning documents (sans supportive detailed position descriptions) as well as a vehicle for coordinating organizational and staffing changes. T/O processing was accomplished informally by position classifiers and management analysts discussing with program officials those changes that were being proposed in missions and position staffing patterns. Because of the lack of time, very few position descriptions were developed during the T/O process that culminated with the DDS "approving" those T/O requests. This way of life, while expeditious, could never have gotten underway if the CSC had retained its classification authority over CIA since every Agency position proposal would have had to have been documented prior to CSC action.

(b)(3)

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achieved later by desk audits and detailed position analysis.* The T/O process became a way of life in CIA, and without that process the Agency would have been unable to undertake as heavy a recruitment drive as it did in the 1951-53 years. Although the sense of urgency and pressures of the early 1950's eventually diminished, the T/O process became the heart of the Agency's annual "planning papers" as well as basic to the "flexible T/O concept." These were CWD proposals that were ultimately developed in response to a maturing Agency's needs. They will be discussed later in this chronicle.

Delving into OP historical documents one finds that the Historical Statement for the Personnel Office during the 1947-52 period 15/ summarized the Agency Classification and Wage Administration Program in the following fashion:

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* The other side of the coin: On 5 March 1971, Colonel L. K. White in an OP oral taped historical interview indicated that " ... in many cases, he /the ADDA and later the DDA/ approved T/O's 'subject to classification review' ... /and/ this action, in hindsight, put the classification people behind the eight ball before they had a chance to play ... . They had a hard time ... the organization was big ... changing rapidly ... although they played a secondary role, in the final analysis, they were the SOB's ... everybody else had signed off ... components had recruited personnel. ... certain grades or salaries had been promised ... . Then classification came along and said, 'No, it won't stand up to that' so, it was a built-in conflict and the classification people got blamed a lot more than they deserved ... ."

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The Classification and Wage Division is responsible for allocating /classifying/ Agency and NSC positions /parenthetically it may be noted that all personnel services for the NSC are provided by the CIA Personnel Office/; developing Agency classification and qualifications standards; conducting wage administration activities for ungraded positions and for indigenous and foreign nationals employed at foreign stations; providing job evaluation services and guidance pertaining to salaries of agent personnel; directing, coordinating and conducting job analyses, position surveys and the development of position descriptions; advising and consulting with operating officials on classification activities and problems; and collaborating with the Organization and Methods Service in connection with the establishment of Tables of Organization. In brief, the Classification and Wage Division (CWD) is primarily responsible for assuring that CIA wage and salary policies remain in general alignment with the general Federal structure and that there is similar pay for similar work.

Actually, the service provided by CWD is basic to much of the personnel program. To illustrate, how can job qualifications be determined without a knowledge of what is to be done? How can training programs be set up for particular groups of jobs if there is insufficient information as to the nature, difficulty and responsibilities of the positions affected? Thus, it is obvious that the CWD, in addition to pricing positions, provides services which are fundamental to the entire personnel structure.

The Central Intelligence Agency has been excepted from the requirements of the Classification Act of 1949 which prescribes position classification and salary administration requirements for most Federal agencies.

From the outset, it had been apparent that certain unique functions or combinations of functions not normally performed made it difficult, if not impossible, to allocate all CIA positions in accordance with the established structure of position classes. The only alternative to arbitrarily placing positions in an established class most nearly approximating the CIA position was to set up specifications for unique positions. At the risk of repeating too often the story of too few people to do

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the job required, it should be noted here that the original staffing allotted to the task of position classification did not permit approaching this program in the most efficient manner. Because it has not been feasible previously to adapt available standards against which individual jobs could be measured, classification has of necessity been accomplished against a number of standards, including existing Commission standards for all jobs of a similar nature and surveys made within the Agency on an individual basis. The current program of the Division includes setting up the necessary criteria.

Obviously, the position information required to serve the needs of the Division and other personnel activities must be recorded; for this reason, the Division prepares written descriptions of the duties performed in each job and periodically reviews these descriptions to keep them on a current basis.

Touching very lightly on the topic because of the security consideration involved, it is simply noted that the organization of certain missions requires advice on salary structure outside the Federal system. The CWD is charged with Personnel Office responsibility in this regard.

Finally, this Division, because of its knowledge of the particular duties performed and the kinds and numbers of personnel required to do them, is responsible for assisting the Organization and Methods Service in establishing Tables of Organization for various Agency components.

As the Agency classification program gradually became more fully staffed, [redacted] Chief of the Classification and Wage Division, exerted concentrated effort toward improving the organization of the division as well as the administration of the program. Divisional and related Office of Personnel procedures were standardized, thereby cutting some red tape and providing better services in order to increase acceptance

(b)(3)
(b)(6)

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of the program by Agency operating officials. Obviously, the major objective was to establish a consistent and effective in-house classification program geared to meet management needs.

C. The CIA Position Standards Program

In an attempt to develop position classification and qualifications standards for various occupational fields unique to CIA, in 1952 the C/CWD officially established the Standards and Survey Branch on his T/O. The major mission of this Branch was to develop comprehensive standards on a number of occupational fields -- allied to all Agency programs -- that would provide reasonable guides in stabilizing the grade structure of the Agency. One of the chief reasons for instituting this standards program was to secure some relief from the continuous pressure for position upgradings throughout the Agency. Dramatically involved was the need to gain the understanding and acceptance of Agency officials as to what professional duties and responsibilities actually constituted the several GS grade levels. Unfortunately this program got underway during a period of time when the Agency was expanding rapidly and Tables of Organization were often the "dreams" of interested operating officials who preferred to dream in an unshackled world.

Under this program the initial effort was, in a given

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series or occupation, to collate the data on existing position descriptions quickly and to develop characteristics for each grade level. Once they were defined, it was the plan to coordinate them with officials in Agency operating components. This was where the major conflicts occurred because the operating officials had little interest in restricting themselves by developing any type of "bureaucratic" standards. Compounding this was the feeling on the part of a number of officials that the existing T/O grade structures were not really adequate for the unique requirements of Agency programs. Therefore the standards coordination process became involved, lengthy, and ultimately frustrating. In defense of the operating officials, however, these initial standards were often superficial and heavily tied into organizational position locations (Branch, Section, Division Chiefs) rather than reflecting a full summation of the characteristics and complexities of duties and responsibilities involved at various grade levels.

The CWD officials also recognized some of these inadequacies. In order to rectify them, they proposed a more detailed job analysis program that would provide as an end product job standards reflecting a systematic and easily comparable set of attributes or factors for each level of work. To this end there was evolved a long and repetitive position

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description format that required not only a laborious recitation on duties to be performed but also detailed information on several additional factors over and above classification requirements. It was assumed that such a position description would serve as a multifaceted administrative document that would meet the needs of classification, recruitment, placement, training, and career development. At a high manpower cost, this type of approach prevailed for several years; but the expectations for its multipurpose uses were never fulfilled. In reality, once a position description was analyzed and classified, probably no one but an individual classifier ever saw it again.

Another important phase of the Agency classification standards program was the development of the Agency Occupational Handbook.* The objective was to promulgate an occupational coding structure that could provide a realistic coding scheme for Agency positions. For example, under the Civil Service occupational structure many Agency positions would have been coded to a single code (0132) for Intelligence Research

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* Some initial efforts were undertaken to develop a Handbook uniquely CIA. Since much Federal occupational research had been successfully completed by the CSC, however, it was administratively decided by the C/CWD that the Agency should "build" its own occupational handbook retaining the CSC Schematic Occupational Outline.

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that was so broadly defined as to include all intelligence activities under Civil Service. The problem to be resolved was to develop a coding outline that would be sufficiently flexible to provide reasonable groupings of positions by educational and skill requirements for all of the Agency's intelligence specializations. In view of these Agency requirements, it was determined that as a matter of policy the Agency would use the Civil Service occupational groupings and retain the intelligence research code (0132) for overt intelligence collection and research fields. Also adopted was an "open" series 0136 for covert intelligence collection and operational endeavors primarily located in the Clandestine Service. Additionally, intelligence officer positions requiring other more orthodox disciplines were coded to recognized disciplines -- for example, I.O. (Electronics Engineer) to the GS-0855 (the CSC Code) as a means of "crossing over" to discipline codings found in other Federal occupational plans. As of this writing (1971), this flexible coding structure still exists as a framework of the occupational breakdown for all Agency positions.

It is a truism that the development of realistic position classification standards requires the full assistance of knowledgeable professionals working in the occupational area. In accord with this philosophy the C/CWD requested the

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participation of Clandestine Service (CS) careerists in the development of position classification standards for the operations officers. It was his idea to exploit the expertise and knowledge of these Agency specialists who claimed to know all there was to know about operations. Thus the development of these particular standards might be described as a "frontal" attack on the CS officials who repeatedly confronted the position classifiers with "you fellows really know nothing about what is important in a Case Officer or Psychological Warfare Officer position ... we are really the only ones that know and understand what is required for full performance of the job(s)."

In an all-out effort to gain the desired occupational information, a detailed and comprehensive questionnaire that covered all of the clandestine operations of the Plans Directorate was developed. The questionnaire was focused on determining what duties (or tasks) were important and what degrees (levels) of difficulty attended each and every one of the functional areas assigned to Psychological Propaganda, Paramilitary, Foreign Intelligence (Covert Collection), Counter-Intelligence, Counter-Espionage, and other operations officers.

Mr. Harrison G. Reynolds, the Director of Personnel, fully supported this program; and he personally got the DDP to approve the circulation of this questionnaire to all DDP

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headquarters branch and staff chiefs as well as other senior CS officials. Cooperation on this fact-finding phase was excellent, with the majority of these questionnaires completed and returned to the C/CWD promptly. The next step involved an analysis and collation of these data in an attempt to ascertain the consensus of opinion on the levels of difficulty for various duties or tasks. Unfortunately, it appeared that there was no more agreement among the DDP officials than there had been between those officials and the position classifiers.16/ Each officer appeared to be the victim of his own environment, largely relating his own work experience to the problem. So in a subjective mood each officer classified as the most difficult those assignments or tasks that had presented him his greatest personal challenges. Because there was no uniformity among DDP professionals, the experiment ended up as something less than a complete success. The standards construction work proceeded under difficult circumstances, of course. Utilizing this information as best they could, the standards writers -- without coordination -- developed a CIA Operations Officer (GS-136.00) standard that was published in 1955. Some time later Mr. Desmond Fitzgerald, then an Area Division Chief, had cause to review this standard. His comment, something less than favorable, was "this is an incredibly poor standard!"17/

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On the more positive side, reasonably successful standards were developed for various support and intelligence research activities along both conventional and industrial point-factor bases.* It should be noted that for a short while placement officers were detailed to standards projects in an effort to expedite standards production and also to assist in the development of realistic qualifications requirements. Although this use of placement officers was theoretically good, in actual practice it merely presented additional personnel and administrative problems that had to be resolved. For example, a female placement officer refused such an assignment when she found that she would need an SI clearance, stating that she didn't look forward to working in a "locked door" area. Another one (male) found that he really didn't have any writing ability. A solution was found when several personnel officer trainees (POT's) became available for this type of work and, in fact, performed exceptionally well. In retrospect, although none of these "POT's" knew the Agency well, they all

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* The writer, a former CWD Branch Chief with prior VA experience, has often been accused of installing the VA Public Work Officer point-rating concept in the Agency, expecially in evaluating field supervisory positions -- i.e., FBIS Bureau Chiefs, Field Administration, and Finance support positions. Point-factor evaluation systems are particularly effective in quantitatively discriminating between positions having similar responsibilities -- i.e., Chief, Finance Office in small, medium, and large field station.

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were able to put to immediate use their university-developed research skills in analyzing a multitude of position data and drafting CIA position standards.

Although the Standards Program remained as a separate organizational entity in the CWD until 1957, standards production vacillated as individual classifiers were detailed out to assist in conducting position surveys. In May 1957 the Standards Branch was abolished, and what few standards were developed were accomplished by operating classifiers in the CWD branches. No standards of any importance were produced after 1960.18/ In summary, the standards program was started with considerable enthusiasm, high hopes, and great expectations. Its success was doomed, however, because its major mission was to attempt to "brake" or stabilize the rapidly escalating grade structure of the Agency. Agency management simply didn't want to accept restrictive measures -- and didn't.

D. Classification Support to the New Directorates

All three of the Directorates needed immediate and continuing classification support in order to define formally their organizational structures and, more important, their position classification patterns. Because each Directorate had problems that were uniquely its own, even general classification support techniques and methods had to be tailored to meet those demands.

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1. DDI Components

Many of the intelligence production program officials had had previous intelligence service, knew their fields well (most often reinforced with brilliant academic backgrounds), were verbal, and -- most of all -- were reasonably familiar with Federal administrative and personnel processes; and management analysts and position classifiers found them easy to work with in developing rational organizational structures and staffing patterns in the early 1950's.*

In addition these intelligence research and production activities were, by and large, located in the Washington, D. C. area, and this made position classification support more readily available. The Office of Operations (FBID, FDD, and Contact Division) were determined to be more overt than covert, however, and on 1 March 1952 they were transferred from the Plans Directorate to the Intelligence Directorate. In effect this changed the DDI complex into a headquarters-field organization and in

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* The Deputy Director for Intelligence was established on 1 January 1952 with supervision over O/National Estimates, O/Current Intelligence, O/Research & Reports, O/Scientific Intelligence, O/Collection & Dissemination, O/Intelligence Coordination, and (on 1 March 1952), O/Operations. It is not intended to imply that upward reclassifications were not the order of the day as inter-agency representation responsibilities increased in the Intelligence Directorate.

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so doing presented CWD classification problems that had to be handled on a more overt basis.

Although most of the basic DDI office structures established in the early 1950's have continued to this day, some research programs developed sufficient status to warrant independent status. The ORR, as it turned out, was the mother organization for three such programs -- basic intelligence became OBI, and the PI function exploded into a national center, NPIC, and a CIA group, the Imagery Analysis Service. Classification support, of course, was required in connection with all of these internal realignments and program expansions that were geared to meet increasing requirements being levied by the intelligence community.

Indeed, classification support ran the gamut in servicing these offices. Overseas field surveys of staff, local (native), and foreign national employees were undertaken; and joint classification survey-position standards development projects were accomplished, including many ventures that required SI and other exotic clearances for CWD staffers.

2. Plans Directorate

Although the merger of OSO and OPC into the DDP was basically completed in mid-1951, it was not until the end of 1952 that CWD personnel were able to put a "merged" Plans

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Directorate T/O on the Agency books. As in the other directorates, the basic organizational structure achieved during those hectic days has survived and still prevails. This, however, was not a true merger; perhaps it can best be described as an amalgamation -- most area divisions insisted upon retaining separate OSO and OPC functions. During these first several years of program development, position classifiers were kept busy handling both organizational changes and position upgrading requests. Requests were extensive and came at a fast pace. For example, from 1949 to 1955 the average position grade of the DDP went from 8.7 to 9.9. In spite of this rise in average grade, however, the DDP'ers were to become the Agency advocates for a more flexible position classification and management system than that provided by the Agency's independent classification program -- which, unfortunately, continued to follow somewhat inflexible CSC classification policies and procedures.

3. DDS Offices

In the early 1950's the major problem that Agency position classification officers experienced with the DDA offices revolved around the periodic grouping and regrouping of functional responsibilities. Of course such activities always involved new T/O submissions with realignments of ongoing programs as well as the establishment of, or augmentation of

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others. By the mid-fifties the DDS (name changed from DDA, 3 February 1955) offices had determined their formal organizational structures and, as it so happened, the next impact on Support position classifications developed as the "covert" operations began to levy their operational support requirements on the DDS. Hardly anything remained quite the same after this began -- payroll clerks began handling agent pay accounts,

[redacted] (b)(3) (b)(1)

E. Classification of Secretarial Positions

An analysis of the work efforts of the personnel in the CWD during the early 1950's revealed that there was a great preoccupation with the audit and evaluation of secretarial positions. Running a close second was the review of clerical classifications. All told, approximately 60 percent of the professional staff's time was spent on these activities. Experienced position classifiers found that the Agency secretarial positions simply could not be evaluated against CSC standards* nor could uniform in-house secretarial standards be developed. The basic problem was that secretarial assignments varied

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* These emphasized several work elements not found in CIA -- types and levels of contacts with the public, preparation of correspondence, and the like.

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considerably from career service to career service. There were countless interviews and meetings concerned with secretarial classifications. In fact certain Office Heads could be counted upon to request periodically the upgrading of the secretarial positions in their components -- especially those of their own secretaries! The classification of positions occupied by the "Gal Fridays" to Office Heads and Division Chiefs escalated to GS-09 -- in some cases to GS-11 -- with others in hot pursuit.

In order to make some sense out of obvious chaos, the Chief of the Position Evaluation Division (C/PED) proposed the installation of the "grade attraction" theory for the allocation of all Agency secretarial positions, a system that was approved by the Deputy Directors in 1957.* This system related the grade of the secretarial position to the grade and organizational level of the position of the supervisor. For example, GS-15 officials warranted GS-07 secretaries and GS-18's were entitled to GS-09 secretaries. The fallacies of this system are self-evident and were bitterly assailed by many people. Admittedly

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* Interestingly enough, in 1964 the CSC was to partially accept this grade attraction approach in its secretarial position classification standards revision. The CSC, however, refined its approach by including a variety of different levels of work that could be performed by "Gal Fridays," which, upon evaluation, meant that a GS-15's secretary position could be GS-05; GS-06, or GS-07.

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it was not a fair system, but it was "a systematized way of distributing the inequities." On the other hand the former approach was not any fairer either because it was the one who cried longest and loudest who got his secretary's position reclassified.

The installation of this secretarial classification plan and the flexible Table of Organization concept, as discussed in Chapter IV, were probably the two elements that led in 1958 to the self-imposed reduction of the Position Evaluation Division's T/O from [redacted] positions.

(b)(3)

F. Position Classification Surveys

From time to time Agency managers would request that a complete position classification survey of their components be undertaken. Usually the Director of Personnel and C/SWD would agree; these survey results were most beneficial to both management and personnel officers. In most cases earlier T/O discussions resulted in "projected" position management as well as position classification decisions that were subject to the actual development of specific Agency programs and operations. Because most of these surveys took place a year or so after a reorganization had taken place, the position classifiers were able to note the impact of "organizational shake-downs" on T/O positions. Some positions exceeded expectations and others

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did not; but the surveys resulted in the defining and evaluating of position management and position classification matters that had been held in abeyance for lack of sufficient information either about certain operations or about requirements. Not only were the T/O positions completely documented and evaluated, but also the position descriptions themselves were then available for other administrative and personnel processes such as recruitment, assignment, career development, and so forth.

It should be noted that management was not always receptive to SWD survey findings -- especially those that questioned the validity of the T/O grades. In 1959, for example, one of the most memorable position surveys took place. This was the survey of the Records Integration Division of the Clandestine Service. The RI Division had long been a source of management anguish. In fact the DDS once referred to it as a "sinkhole in which to put personnel ceiling."19/

As in many organizations -- both industrial and government -- the importance of records management responsibilities was not recognized as early as it should have been. This was also true in the Clandestine Service, which had inherited all of the OSS foreign intelligence records and documents as part of the CS records management responsibility. It was apparent that there had been few, if any, clear-cut policy guidelines

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with respect to either CS or OSS records management. As a matter of fact the RID operated pretty much on a day-to-day operational basis under the aegis of a long-term supervisor. Complicating the problem was the pressure exerted by many officers in the several area divisions on the C/RID to retain all records coming into or originating in the CS.

Eventually, this records management dilemma was brought to the attention of the DDP, who appointed Mr. Hugh Cunningham* to reorganize, systematize, and generally straighten out the RID mission and organizational structure. This he did. Under his direction** the CS developed records management policies for its foreign intelligence documents and also revised and updated operating procedures. Of course the RID organization also underwent internal realignment, and ultimately a new T/O proposal was developed.

The key to the success of this reorganization, RID claimed, was predicated upon Agency management's recognizing the need for the professional analysis (rather than clerical) of the wide variety of foreign intelligence documents being accessed daily in RID. Stress was placed on the need for

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* A senior Agency official who served successfully in several capacities, not only in the CS but also in other directorates.

** And later under that of Mr. Mike Mitchell, a senior CS officer.

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professionals to do this analytical work, and to recruit them RID would need higher grades for not only their analyst positions but also for their supervisory positions. Ultimately these pleas bore fruit, and the RID positions were professionalized and placed on the RID T/O subject to classification review after these positions had been allowed to function at professional levels for a reasonable period.

When the RI Division was surveyed in the late fall of 1959, a complete detailed comparison was made with similar functions and positions in the FBI. By comparison with FBI grade levels, it was found that the RID positions were severely overgraded, particularly the RI analyst positions. Of course the SWD survey report itself contained a recommendation to reduce the grades of the analyst positions -- a rather catastrophic proposal! This report was presented to Mr. Gordon M. Stewart, the CIA Director of Personnel, for his review. His first reaction was that SWD classifiers did not understand clandestine intelligence operations and that comparisons with FBI were unsound because the CS was vastly more complicated and was unique. Mr. Stewart also took the position that there was a definite need for college graduates to encumber the RI analyst positions. To lower the grades would lower the quality of the organization.

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The C/SWD advised Mr. Stewart that the survey findings did not indicate this nor did they indicate the need for college graduates. Often wasted in such positions, many of them would become disillusioned and would resign. The net result of this exchange was that Mr. Stewart agreed to conduct personal interviews with the RI analysts. This he did; he spent a week, half time, in interviewing RI personnel. His conclusion was that many of these positions were not analytical nor did they require college-trained individuals. With the D/Personnel's tacit backing, the report was submitted to [redacted] (b)(3) (b)(6) the Chief of Operational Services in the DDP, and Mr. Mike Mitchell, the Chief of RID. Mr. Mitchell was decidedly unhappy with it (an understatement) and reached the conclusion that SWD staffers simply did not understand the RI function. Because the survey results were so controversial -- they didn't support the RI ideology -- the proposed downgradings were never implemented.

Whether or not this survey caused it, through the 1960's there was a calm in the classification survey business in headquarters. Although a few surveys, such as one for the Office of Training, were attempted, the wide diversity of opinion regarding the validity of classification surveys and the disinclination of the Office of Personnel to insist on the

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implementation of the survey results made it advisable to discontinue the formal survey approach in Washington. Classification changes were made through informal surveys or by individual position classification actions.

By the early 1950's it had become apparent that to have an effective Agency position classification program it would be necessary to conduct periodic reviews or surveys of not only headquarters but also [redacted] field station positions. (b)(3) Apropos of this, the C/CWD discussed with the DDP the feasibility of position classifiers securing documentation of representative CS field positions. Emphasis was placed upon the desirability of surveying one of the larger of the CS field activities, either the German or [redacted] Mission. (b)(1) (b)(3) What then amounted to a breakthrough in Personnel/Clandestine Service relationships came in 1952 with the DDP agreeing to a complete classification survey of the German Mission and its [redacted] positions. (b)(3) A team of three position classifiers surveyed not only the German Mission headquarters positions but also all of those in the several "sub-bases" located in Germany and Austria. As it turned out, the timing of this survey was providential in view of the fact that it not only resulted in the securing of complete position documentation (for the first time) of a major CS field organization, but also, within a matter of a few months,

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such data were relied upon quite heavily when the DDP had to reduce the German Mission from (b)(3) [redacted]

This survey disclosed the benefits and constructive assistance in position and personnel management that could be gained without risk to cover or security. Access was subsequently granted to all Agency field operations and activities for position classification surveying. From 1952 to 1967 representatives of the classification program surveyed CS [redacted] (b)(3) projects, Communications field organizations, FBIS "bureaus," and Contact, Domestic Operations Division (DOD), Security, Logistics, and OTR domestic field units. (b)(3)

Surveys are usually accomplished by TDY assignments of classification officers, who are received and treated as personnel experts by field officers. Being away from headquarters, these field officers are most appreciative of the position management and position classification advice that is available on the spot. Although position classification survey techniques are alike for both departmental and field organizations, the impact of the isolation factor (from staff specialists) on field personnel tends to make field surveys also more rewarding to the position classifiers. Their advice is sought not only on such items as position classification patterns and problems but also on organizational structure,

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functional alignment, span of control, and organizational nomenclature.

During this fifteen-year period (1952-67), survey classifiers have found all types of problems, such as those associated with establishing a new field organization, the problems of integrating two or more "local" programs, the redefining of geographical areas of responsibility and the restructuring of the supportive organization, the relocating of Agency facilities because of internal uprisings in a host country, and others. Among the more important of the field surveys, the following should be noted:

1952 -- Europe -- DDP [redacted] (b)(3) (b)(6)

1955 -- Europe and Middle East -- Commo [redacted]

-- Europe -- DDP [redacted] (b)(3) (b)(6)

1957 -- Europe -- Commo [redacted]

-- Far East -- Commo and select DDP Stations [redacted]

-- Far East and Southeast Asia -- DDP (Emmet Echols [redacted] (b)(3) (b)(6)

-- Europe, Far East, and Southeast Asia -- FBIS [redacted]

1958 -- Far East [redacted] (b)(1) (b)(3) (b)(6)

1959 -- Far East [redacted] (b)(1) (b)(3) (b)(6)

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1961 -- Europe and Middle East -- FBID [redacted]

-- Far East and Near East -- Commo [redacted] (b)(3) (b)(6)

-- Middle East and Europe -- Commo [redacted]

1961 -- US Field -- [redacted] (b)(1) (b)(3) (b)(6)

-- US Field -- [redacted] -- Security Field Offices [redacted] (b)(3) (b)(6)

-- US Field -- JMRIMM [redacted] -- Commo [redacted] (b)(1) (b)(3) (b)(6)

1963 -- Central and South America -- DDP (Robert Swezy)

1964 -- Europe -- German Mission -- DDP [redacted] (b)(3) (b)(6)

-- US Field Offices -- OO/Contact Division [redacted]

-- US Field Offices, O/Security [redacted] (b)(3) (b)(6)

1965 -- Central and South America -- DDP [redacted] (b)(3) (b)(6)

-- US Field -- JMWAVE -- DDP (Robert Swezy and [redacted] (b)(3) (b)(6)

-- US Field -- DOD -- DDP [redacted]

In addition the highlights of an early 1970 survey of several overseas activities of the Office of Communications are summarized in a PMCD/OP position classification report in Appendix B.

(b)(3)

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G. Classification Support for Project T/O Proposals

Certainly an activity atypical of Federal position classification programs would be the staff support provided by classifiers to Agency officials in the establishment of clandestine projects. By way of explanation, some Agency operations are established as "projects" (in contrast to continuing programs) because they are usually of short duration -- "one-shot" operations required by the limited time available for the project's source output or target area. Of paramount importance are the sensitivity and security surrounding such operations, particularly where Agency association cannot be shown. For these reasons nonofficial cover arrangements must be developed so that the project has a reasonably good chance of accomplishing its primary objective.

Originally all project plans developed by Clandestine Service components had to be submitted to the Agency Project Review Committee*20/ for administrative approval before any operation could be undertaken. These sensitive proposals would include detailed operational plans in support of primary and secondary objectives and supportive administrative plans

(b)(3)

* [redacted] the revised procedure requires approval of the ExDir, the DDS, and the DD concerned.

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requesting specific allocations of unvouchered funds and listings of types and employment categories of necessary manpower, required position categories, equipment needs, and so forth.

Although both types of plans were important, usually the operational plan was submitted first for PRC approval. Upon approval, the administrative plan, if not already developed, would be developed in detail and submitted through administrative channels to the DDS/SSA, the Chief of the Management Staff, and C/CWD/OP. C/CWD's responsibility was to review the proposed T/O in terms of the soundness of requested position structure and grades (or salaries).* Frequently discussions would have to be held with operating officials in order to clarify parameters of unique position requirements. Upon completion of the classification and management review, the Project T/O would be approved and issued to DDP and DDS components that had a "need to know." In this regard the C/CWD had assigned the primary responsibility for the review of T/O proposals to one of the classification officers who also had the responsibility for maintaining all project information in a restricted, secure area. Although under normal conditions this officer discussed his recommendations

(b)(3)

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with, and secured the concurrences of, his branch and division chiefs, occasionally there were highly sensitive projects; and in these cases the officer might be instructed to report his recommendations directly to the Director of Personnel.*

Some projects were extended or expanded. For those the Project T/O was renewed by being subjected to the same processing as for new projects.

The importance of this classification review cannot be overemphasized. The nature of nonofficial cover arrangements certainly required that project positions and salaries be in general alignment with those in the industrial sector. Second, not only was there the initial resolution of salaries for project workers but also the control of project pay administration could vacillate between organizational hands and those of "contract" project administrators. Poor project administration certainly created additional administrative headaches for the CWD project officer** who might be called upon, for example, to realign a project's pay structure that had gotten out of whack through illadvised promotions and pay adjustments.

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* The "need to know" security principle could play havoc with standard administrative arrangements!

(b)(3)
(b)(6)

** [redacted] has been the long-term incumbent of this position.

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H. Wage Administration and Pay Administration

Another highly specialized field is Wage Administration. Unlike the Federal position classification system, which relates to positions in the professional, administrative, technical, and clerical fields, wage administration is involved in the classification and establishment of wage rates for "blue-collar" (crafts) positions in industry, business, and the government throughout the United States and abroad. One major distinction is the close association of "established" rates in a given area where craft work is performed. Other important evaluative factors include the "effect of working conditions" and "nature of items handled," both of which must be considered as part of the analytical process in wage administration programs.

Wage administration also differs from Federal position classification in that rates are adjusted periodically on the basis of a combined wage study conducted by representatives of those Federal agencies having the largest number of employees under prevailing wage schedules. Thus in most instances, blue-collar wage schedules are adjusted annually on a geographical basis. Before 1970 the Congress approved pay legislation for white-collar (Classification Act) workers sporadically. Because of legislative delays, many pay increases were inadequate; spiralling costs of living had continued to rise during the

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time required to secure Congressional approval of such pay measures. By transferring the pay-fixing authority to the President, the 1970 Federal employees pay legislation altered the political overtones of this Congressional control over the classification act pay plan for white-collar workers. Under this legislation the President must respond annually as the cost-of-living index goes up. Such pay determinations will affect Federal workers located throughout the United States and overseas.

Returning to the wage administration process, it involves a very detailed analysis of not only all the job factors but also specific training and experience requirements that are most easily related to apprenticeship programs. In departments having large blue-collar operations, the evaluative process is lessened by the fact that a great many job requirements have been "standardized" -- for example, journeyman printer, 3rd-year electrician apprentice -- and thus become more easily evaluated. Second, because the pay rates are also "pegged" at union-recognized journeyman and apprentice levels, larger Federal organizations have relatively fewer wage administration problems than does the Agency.

It is true that the Agency has the authority to set pay rates administratively for all of its employees.21/ The

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DCI, however, determined that Agency policy would be to adopt and follow the pay plan of the Classification Act for its GS employees. Equally wise was the policy decision to adopt administratively those blue-collar wage schedules developed by larger Federal agencies, leaving -- in a residual sense -- the responsibility to the Position Management and Compensation Division (PMCD) to establish additional schedules that might be required for special categories of personnel, such as FBIS's foreign nationals. Of course the degree of success that the Agency had in using schedules rested entirely upon the PMCD evaluation of Agency crafts positions -- a most complicated matter.

Clandestine operations can, and do, levy unique requirements upon support positions -- even the blue-collar ones.* Second, at its peak the Agency itself could never be described as more than a medium-size organization. Furthermore, although there were often many unusual job requirements levied, when they were sifted out and down to the worker levels there was a "Duke's mixture" of sometimes unrelated requirements with only

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* Although this section stresses the uniqueness of Agency wage administration problems, in those cases where Agency blue-collar positions are reasonably comparable to other similar Federal positions -- for example, bus driver or chauffeur -- the pay rates follow those in the wage schedules.

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a very small number of artisans and craftsmen to meet them. Thus over the years some jobs have just "grown like Topsy" in order to furnish support to Agency operations. "Mixed," rather than pure, crafts jobs, therefore, are typical in the Agency. Some mixed positions resulted from operational necessity -- an inadequate number of overseas support positions, forcing the incumbents to double-in-brass in two or three occupational fields. If the Agency has a printer-engraver position, for example, neither the printer nor the engraver rate alone will suffice. Instead, a combination rate that would be unique to this Agency and possibly to a singleton position must be established.

Other craft assignments might require individual performance of unannounced (to either the craft union or public) newly developed in-house techniques. Thus the wage administration analyst must develop an evaluated rate in terms of these particular Agency requirements. Again, this rate would be unique to CIA. Another assignment might involve individual exploitation of an artisan's skills without the benefit of

(b)(3)

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In the Agency, wage administration activities were not necessarily limited to blue-collar jobs. The FBIS's Foreign National Wage Schedules were established for "third-country" professional linguists screening broadcasts and publications.

Responsibility for Wage Administration wage schedule development overseas usually rested with the Federal organization that employed the largest number of natives in labor and crafts jobs within a particular geographic area. Wage rates were based upon the local "going" rates for such work, and schedules were prepared by either Department of State or DOD activities.

Because of the highly specialized requirements of FBIS for professional foreign national linguists, however, CIA assumed the responsibility [redacted] (b)(3)
[redacted] for developing Foreign National Wage Schedules for its several overseas bureaus. It is interesting to note that the FBIS schedules are not based upon the "local prevailing rate" but rather on "the prevailing rate of the recruitment area." How does this work out? An excellent example would be how the FBIS [redacted] determined its wages for [redacted]
[redacted] Most of this available talent is found in [redacted] and that has become the FBIS recruitment area for such personnel. Therefore (b)(1) (b)(3)

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the FBIS FN Schedule for the [redacted] for such skills would reflect the [redacted] "going rates." (b)(1) (b)(3)

With such a variety of wage administration activities, it is not unusual for the wage administration analysts to get internal inquiries such as "What is the hourly rate for journeymen tailors in _____, _____ (USA)?" From this type of inquiry,

[redacted] (b)(3) (b)(1)

area?" What's up? Probably GSI (a quasi-public organization that holds the Agency contract for operating the cafeterias at [redacted] wants to ascertain what wage adjustments might be appropriate for their food servers there, and its pay adjustment decision would be based upon PMCD survey findings.* (b)(3) (b)(1)

In summary, then, it cannot be overstressed that because of the variety of Agency pay plans and employment categories not found in other Federal agencies, the C/PMCD -- as the Agency pay authority -- often deals in many "gray" administrative areas in resolving wage or pay problems for the Agency.

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* [redacted] senior wage administration analyst, provided much of the technical detail reflected in this section. (b)(3) (b)(6)

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III. Position Management of Agency Executive Positions

There are two opposing but, in a sense, complementary position classification theories. One is the "top-down" approach which involves "pegging" (evaluating) initially the position levels of the top executives and then classifying the balance of the organization's positions working down the organizational structure. The other approach is sometimes referred to as the "bottom-up" technique. Classification of the lowest level of work is accomplished first, and the organizational classification pattern is built upward grade level by grade level. The systems work equally well, with the classification approach largely determined by the sense of urgency of management. In a new organization, for example, one might wish to recruit and staff the top positions first; or, in the case of an ongoing organization, to clarify and/or strengthen worker-level positions initially, leaving the evaluation of supervisory and program-director positions to the end.

As it happened, a series of external factors culminated in the passage of the Classification Act of 1949, which helped to determine the position classification philosophy the new classification program administrators were to follow -- "top-down" or

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"bottom-up." By way of background, Federal classification experience both in World War II and the postwar period had revealed that the Federal position classification system developed in 1923, with its fifteen grade levels for administrative work, was inadequate for the new nationwide Federal programs and supporting organizations that had become phenomena of the 1940's. The CSC found itself approving several layers of GS-15 "plus" positions in both wartime and economic readjustment programs. Partially in recognition of this the Classification Act of 1949 provided eighteen grade levels with the upper three levels reserved for top Federal positions of outstanding program and policy timber. Congressional limitations were set, however, by the establishment of a 400 "supergrade" quota for the Executive Branch, with the CSC responsible for allocating and approving these executive or supergrade positions. Thus in the fall of 1949 all Federal organizations were busy developing detailed position descriptions and supergrade justifications for their key executive and program-director positions.

As mentioned earlier, the Agency had already sought and received an affirmation from the CSC 22/ to the effect that the CIA Enabling Act (PL 110) had sufficiently broad authorities to exempt the Agency from the jurisdiction of the Classification

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Act of 1923 as administered by the CSC.* Further, as of 28 October 1949, the day that President Truman signed the Classification Act of 1949, the Agency sought from the Comptroller General of the United States a financial policy interpretation of this new act in relationship to the DCI's authority under PL 110 to (1) classify its own executive positions to the GS-16 through the GS-18 levels without regard to the numerical limitations in the pending Classification Act, and (2) pay Agency executives assigned to these positions similar salaries. When the Comptroller General advised 23/ the DCI that he did indeed have sufficient authority under PL 110 to do so, it seemed only prudent that the CIA classification experts address themselves to the classification evaluation of CIA executive positions.

Although the Agency was specifically exempt, the impact of the Classification Act was -- ironically -- to be felt almost immediately. Probably the most important piece of new business for the Classification and Wage Division in its new unshackled role was to prepare for the DCI's approval the Office of Personnel recommendations on the most important

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* The Classification Act of 1949 specifically exempted CIA in consonance with the earlier administrative decision of the Commissioners.

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Agency executive positions worthy of supergrade status. Possibly in a "feeling-one's-way" mood, the Classification and Wage Division recommended, with the concurrence of the Director of Personnel, that 26 Agency positions be reclassified higher.*24/ Unfortunately the record is not clear why Admiral Hillenkoetter approved only nineteen supergrade position classifications to become effective on 1 January 1950.25/ Interestingly enough, the incumbents of these supergrade positions -- mainly intelligence production and support officers -- were unexpectedly given Christmas presents when the DCI advanced the effective date of their promotions from 1 January 1950 to 25 December 1949.26/

Although the initial number (19) of executive positions recognized may have been on the conservative side, as the Agency programs and organizational structure became more defined the number of executive positions increased rapidly. Probably the choice of the verb "increase" is poor; by 26 December 1951 -- two years later -- the number of Agency supergrades had skyrocketed to [redacted] (At the same time, the rest of the Executive Branch was corralled with the CSC's [redacted] quota plus an additional [redacted] supergrades that Congress had approved for those agencies

(b)(3)

(b)(3)

(b)(3)

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* In addition to three P-9 scientific positions authorized under PL 110.

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supporting programs under the Defense Production Act of 1950.) By 18 July 1952 the Agency had approved [redacted] supergrade positions (b)(3) and Bureau of the Budget officials had informally cautioned the Agency that this number appeared to be "proportionally excessive ... further, the Agency should be cautious about any over-grading."27/

The administrative response to the BOB criticism, and to possible future Congressional criticism, was the establishment of better internal controls and an administrative mechanism for processing supergrade position requests. The DDA proposed to the DCI that:28/

a. the Agency establish a supergrade ceiling of [redacted] (b)(3) positions (one percent of the total employee population) in recognition of the importance of the Agency's missions;

b. a formal procedure be established for considering supergrade requests which would involve the full documentation and classification evaluation of supergrade requests by the Classification and Wage Division;

c. a board (subsequently titled the Review Board) be established to review justifications for supergrades with membership to include the Assistant Director (Personnel) as Chairman, the Comptroller, and designated representatives of the three Deputy Directors; and

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d. that the DCI review and approve all actions involving the supergrade requests.

As soon as the DCI approved the DDA's memorandum on standardizing the administration of Agency supergrades, this newly established Review Board 29/ attacked its responsibilities with gusto and proceeded to implement a new "planning" concept on Agency supergrade positions. The Review Board, in effect, decided to consider new supergrade proposals as part of an individual component's future expansion plans. Furthermore if specific supergrade proposals did not involve personnel assignments to the executive level, the Chairman of the Review Board would direct the Chief of the Classification and Wage Division to place such positions on appropriate tables of organization. Under this procedure, only supergrade actions involving personnel movements were forwarded to the DCI. As a result the C/CWD had to devise a complex record-keeping system to reflect both DCI supergrade personnel approvals and "interim" supergrade position approvals made by the Review Board. Under this practice the number of Agency supergrade positions reflected on the Agency tables of organization reached [redacted] by 15 November 1954 with incumbents totalling [redacted] (b)(3) (b)(3)

Meanwhile the Agency began to settle down under a generally acceptable organizational form; and management realized

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that with the tremendous growth of the Agency it was time to formalize further the "rules of the road" for better administration. A review of the [redacted] (b)(3) Supergrade Positions for the 1953-55 period 30/ clearly delineated changes in Agency policy, responsibilities, and procedures for the assignment of employees to supergrades. In the final analysis, however, the administrative procedure for handling such actions was not formalized until about a year after the establishment of the Supergrade Review Board in February 1954. With the DDCI as Chairman and the several Deputy Directors and the Director of Personnel as members, the following practices were instituted:

a. The DCI would determine the number of Agency supergrade positions.

b. The Supergrade Review Board would recommend to the DCI appropriate disposition of all actions affecting employees in the supergrade classifications.

c. All newly appointed supergrade officers would hold the rank and pay of their positions in a temporary status for such time as the DCI might determine.

d. An annual review of the performance of all supergraded officials in a temporary status would be conducted by the Board, which would then recommend

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to the DCI whether or not permanent tenure should be granted.

(b)(3)

Unfortunately the [redacted] offered to the Supergrade Review Board neither guidelines nor criteria to assist that body in making position management decisions as to the appropriateness of newly proposed Agency executive positions, the basis for recommending that the Agency supergrade position and personnel ceilings be increased, or any systematized approach for the internal distribution of such positions among the Agency's various programs. Because of this the number of executive positions and officers slowly increased without any clear-cut, overall administrative frame of reference. In early 1955, however, the C/CWD prepared a staff study in which he offered "guidelines of a sort" for the management of the Agency's supergrade positions.31/ This proposal recommended that an Agency supergrade ceiling be based upon a composite supergrade ratio (total number in the employee population compared with the number and levels of supergrade positions approved) of the Department of State, Foreign Operations Administration, Atomic Energy Commission, and the US Information Agency. This approach would provide a sound and defensible basis for establishing and periodically adjusting the CIA supergrade authorization. Second, the Agency supergrade authorization would be distributed

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among Agency components in the light of personnel ceilings and the number of GS-13 through GS-15 positions authorized for each. Under this philosophy the Agency supergrade ceiling would have been set [redacted] with component ceilings adjusted in accordance with the number of senior officer (GS-13/15) positions as well as total employee ceilings in each.

(b)(3)

At its meeting of 2 June 1955 32/ the Supergrade Review Board bought this proposal and recommended that the DCI approve it. The DCI later approved it, subject to the informal concurrence of the BOB -- standard practice by that time. Neither the issuance of an Agency regulation nor the adoption of this policy that set the Agency supergrade ceiling on the basis of averaging the supergrade ratios of several foreign affairs and security organizations were to provide the solution to a major administrative problem.

Except for the initial 19 key positions selected for supergrade recognition and established by Rear Admiral Hillenkoetter, Agency supergrade positions had been considered on an individual, one-at-a-time basis. As a result the Agency's executive management structure had developed in a haphazard, piecemeal fashion. Because of this, not enough attention had been given to defining, at any period in time, the total supergrade requirements of the Agency. Furthermore, the

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Supergrade Review Board had rarely sought classification advice and assistance on supergrade proposals; the result was that there had not been sufficient classification evaluations to assure that there was at least internal consistency in and among the several directorates.*

Thus in the winter of 1955-56 the ball was thrown to the Office of Personnel to develop an Agency supergrade position management plan that would be more in line with the approaches being used elsewhere in the Executive Branch and would thereby also be more acceptable to the BOB. With the concurrence of the Director of Personnel, the Chief of the Position Evaluation Division analyzed the Agency supergrade problem from the standpoint of developing a systematic plan for the orderly establishment and comparison of Agency executive positions.

By mid-1956 there had been developed a supergrade factor-comparison plan that used industrial classification techniques and stressed four factors -- executive skills, responsibilities, decisions, and commitment authority.** Gradations of each of

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* In an October 1955 discussion between representatives of CIA and the BOB, it was pointed out that the Agency should establish its supergrades by classifying the positions rather than following a ratio with other agencies, as had been the practice.33/

** For the reader unfamiliar with executive position classification plans, a copy of the CIA Factor Comparison Job Evaluation Plan for Supergrade Positions, 2 May 1956, has been included as Appendix C.

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these factors was done numerically with "benchmark" (representative) positions identified by an Agency committee that was also responsible for assigning weights and values to each factor for each benchmark position. Although the classical approach to developing a job classification plan was undertaken by identifying Agency benchmark positions, the task of assigning various weights as measures of the relative importance of each factor became a stumbling block.34/ After considerable effort, however, the committee did complete this chore; the benchmark positions were scored, and appropriate cutoff points between each grade were made. Because the committee had included GS-15 positions in their evaluation -- to identify a breakoff point where supergrade positions would begin -- these positions, along with all of the supergrade positions, were subjected to a "trial evaluation." Naturally it took several trial-and-error committee efforts before the final adjustments could be made to the point values for each factor for each grade level. Once accomplished, however, all of the supergrade and GS-15 positions were evaluated and scored under this new system. All told, this Office of Personnel study took eighteen months to complete. The Supergrade Review Board not only approved this Agency-wide supergrade study but also strongly recommended that General Cabell, as Chairman of the SRB, submit the study (which also supported the reclassification of a number of GS-15 positions

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to supergrade status) to the DCI for his approval. The DDCI's proposal, based upon this report, was to establish [ ] supergrade positions but maintain the ceiling at [ ] pending further consultation with BOB officials. This proposal was approved by the Director on 27 July 1957.35/ (b)(3) (b)(3)

During the next two years the assignment of officials to supergrade positions was indeed moderate. In fact the ceiling of [ ] had not been exhausted by the spring of 1959 when the Chairman of the Supergrade Review Board concurred with the results of an Office of Personnel annual supergrade evaluation study and recommended to the DCI that he approve the establishment of [ ] supergrade positions and, at the same time, approve a ceiling [ ] The transmitting memorandum indicated that although the executive positions in the DDI and Support areas were substantially the same as previously approved, a review of DDP operations reflected a number of organizational changes and a need for further recognition of the increase in stature of some CS overseas positions. On the basis of this analysis the DCI approved these supergrade allocations on 14 May 1959.*37/ In retrospect, however, this was (b)(3) (b)(3) (b)(3)

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* As was the custom, the DCI promptly notified the BOB of this action, noting that it had been premised on the results of a recent classification review of all Agency key positions (tit-for-tat!).38/

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to mark the demise of the factor-evaluation plan used to evaluate and maintain internal consistency in Agency supergrade position classifications. Conservatism and consistency in the management of executive positions were to become passé as the Agency moved into the 1960's.

In the early 1960's a great deal of pressure developed in all Agency components to expand the supergrade structure. The Clandestine Service particularly pointed to the inflated personnel profile of the Foreign Service -- perhaps justly because the Department had a large number of FSO 1's and FSO 2's (generally comparable to GS-17 and GS-16) as well as Career Minister and Ambassador positions at even higher salary levels. Of course the CS clarion call also pointed out that the CS Chiefs-of-Station positions overseas were often more responsible ones than many of the FSO positions that were pegged at these higher FS salary levels; and the call came through loud and clear.

Similarly, Support and Intelligence Directorate officials appeared to question the appropriateness of the number and levels of their supergrade quotas. As a result of this overwhelming demand for additional supergrade positions throughout the Agency, the numerical-point factor-evaluation system developed in 1956 had to be abandoned.39/ As more and more supergrade

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positions were approved, many of the "benchmarked" GS-15 positions were swept into the supergrade levels, and the supergrade structure itself was so markedly changed that it was impossible to continue rationally the point-rating system as originally developed. Position descriptions continued to be written in a factor analysis style, but a general comparative evaluation approach* was substituted for the point-rating system.

According to the Director of Personnel's memorandum of 20 July 1962,40/ the Agency supergrade authorization [redacted] (b)(3) approved by the DCI on 14 May 1959 would no longer meet new supergrade position requirements. A comprehensive review in the spring of 1962 had resulted in a recommendation for a very substantial increase in the number of supergrade positions [redacted] (b)(3) that would be "necessary to recognize more adequately the unique and difficult responsibilities of key Agency officials and to make the Agency's salary structure more competitive with those of other Federal organizations such as the Foreign Service of the Department of State, the Agency for International Development, the Atomic Energy Commission and the United States Information Agency."

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* Simply stated, positions were ranked by order of responsibility and difficulty within the concerned Directorate and, when appropriate, comparisons were made across directorate lines.

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The Agency positions that the Deputy Directors and other key Agency officials recommended for elevation to supergrade status included:

Chiefs of major branches in DDP Area Divisions.
Chiefs of Support in largest and most complex DDP Area Divisions.
Newly established key positions under the DD/Research.
Key positions in the Office of Communications.
Senior level positions in various DDI and DDS components.

As a new feature this proposal also provided for 30 reserve allocations that would be available to meet special requirements of the Offices of the DCI, DDI, and DDP. This reserve position proposal was based upon these administrative considerations:

(b)(3)

a. DCI -- [redacted] positions (Available for the creation of such new positions as the DCI might wish to establish.)

b. DDP -- [redacted] positions (To compensate for loss of personnel on rotation or home leave; to permit recognition of the outstanding contributions of some senior case officers.)

c. DDI -- [redacted] positions (To assist in the recruitment and retention of outstanding specialists in nonexecutive capacities by raising the potential for their career progression and enhancing the Agency's competitive position in the market for experts in the various disciplines.)

This unique supergrade proposal was formally approved by Lieutenant General Carter, who was Acting DCI, on 25 August 1962. 41/ As was the custom, Mr. David E. Bell, the Director of the

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Bureau of the Budget, was advised of this action,42/ and of course "all hell broke out." In his letter of 28 August 1962 to the DCI,43/ Mr. Bell stated that "this 90% increase above your existing total of supergrades comes as a distinct shock, particularly as it is unaccompanied by any supporting data or analysis." Mr. Bell also indicated that the Agency's timing was extremely poor in view of the fact that the President was endeavoring to secure Congressional acceptance of the Federal Salary Reform Act of 1962.* Certainly within his prerogative, Mr. Bell requested that the Agency defer further implementation of this action until the Bureau had a chance to examine the Agency's analysis in the light of whatever legislation would be enacted by Congress in response to the President's pay reform proposal. Because this was a request from the President's chief budget advisor, it was administratively unthinkable for the DCI not to agree. And so the DCI concurred with an interim moratorium.44/

After several exchanges, however, Mr. Robert Amory, Chief of the International Division of the Bureau of the Budget,**

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* Pay comparability of Federal executives (GS-14 and above) with those in the industrial sector was one of its prime goals.

** Mr. Amory was DDI from 1 May 1953 to 15 April 1962. As events turned out, it was providential that the Agency had a "friend in court."

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discussed the Agency's supergrade proposal with the various CIA Deputy Directors, emphasizing the administration's contra points of view on this proposed action.45/ These exchanges did not, however, alter the Agency's position. Ultimately the BOB did approve the supergrade allocations with the understanding that the reserve position allocations (always vulnerable) would be reduced [redacted] and the supergrade (b)(3)
personnel ceiling increases would be accomplished in a conservative and judicious fashion.46/ Agency implementation was indeed cautiously achieved by delaying some of these (b)(3)
increases as follows: [redacted]

[redacted] The assignment and promotion to these positions for these (b)(3)
years were [redacted] which also reflected prudent (b)(3)
personnel management.

Until early 1965 the review and development of the CIA supergrade position posture was, by and large, an internal executive management problem, with some external controls being levied initially upon the Agency by the BOB in 1962. Although the Agency played the conservative game on supergrade allocations and promotions, according to the 1962 BOB policy (b)(3)
guidelines, on 23 November 1965 there were [redacted] incumbents of the Agency's [redacted] positions in the Executive Pay, Supergrade, (b)(3)

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and Scientific Pay* categories.47/ BOB officials had informally advised the DCI, however, that the [redacted] limitation established in 1962 should be retained and must embrace all Executive Pay, Supergrade, and Scientific Pay positions. A rapid calculation showed that this left the Agency with headroom for only 27 promotions or appointments at these levels. What impact did this BOB decision have? Naturally it became the impetus for the Director of Personnel** to suggest, undertake, and direct a survey of the Agency's outstanding requirements for supergrade and scientific pay positions. (b)(3)

While this position classification survey was underway, Agency officials put their heads together in an attempt to develop a "reasoned" approach to the resolution of this

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* Originally, Scientific Pay Schedule positions were authorized under PL 313 (dated 1 August 1947) for recruitment and retention of scientific and engineering specialists in DOD programs. In April 1963 CIA adopted a SPS following CSC and Congressional Pay guidelines -- SPS 16's/18's could not be paid less than the initial step of GS-16 or more than GS-18 pay or, monetarily speaking, $16,000 to $20,000. Although some may have had executive talents, their salary levels were based upon what their scientific or engineering talents could command elsewhere. For a detailed historical statement on the CIA personnel management and pay administration system for personnel assigned to selected scientific positions, see Appendix D.

** The Supergrade Review Board was abolished, and the coordination responsibility for all supergrade actions was transferred to the D/Pers [redacted] 31 August 1962. (b)(3)

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executive manpower problem. It was soon accepted that in some fashion the Agency would have to live with the ceiling of [ ] top-level positions as set by the BOB. Certainly the BOB had indicated that the 1962 ceiling figure of [ ] should be continued and should include not only supergrade positions but also Executive Pay and Scientific Pay positions. With respect to the last category, the administrative posture soon crystallized along the lines that because it was April 1963 when the Agency adopted the SPS arrangement they (SPS positions) had not been included in the 1962 figure and therefore should be excluded in 1965. Furthermore Agency SPS requirements were proclaimed to be decidedly distinct from Executive Pay and supergrade requirements.

(b)(3)

(b)(3)

Following this rationale the Director of Personnel forwarded the supergrade and SPS position requirements as distinct and separate recommendations to the DCI on 15 February 1966.48/ This proposal consisted of recommendations involving [ ] supergrades and EP positions, as well as [ ] SPS positions, a total of [ ] positions involving salary requirements above the GS-15 pay level. Although the DCI had the authority to approve these positions, the administrative problem of living within the BOB ceiling of [ ] had to be resolved. As an interim solution the D/Pers recommended

(b)(3)

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(b)(3)

(b)(3)

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that (a) the SPS positions were not to be included in the Agency's supergrade ceiling count; (b) the DCI should withdraw the [ ] reserved supergrade spaces from the DDP and DDI; and (b)(3) (c) the DCI, in order to alleviate another manpower accounting problem, should assign ten of these ceiling slots to his own Office to accommodate senior Agency officers detailed to other Government agencies, thereby discontinuing the previous practice of having to charge such officers against the supergrade ceiling of the career services that furnished them.

By these bookkeeping changes the available supergrade headroom was adjusted upward from [ ] The Director of (b)(3) Personnel also indicated that the Agency could meet its present and anticipated needs in having headroom for [ ] promotions or (b)(3) appointments to supergrade level. This line of reasoning avoided an immediate confrontation with BOB officials on an upward adjustment in the Agency's ceiling. On 9 March 1966 the DCI approved these recommendations.49/ As had been the custom, however, Admiral Raborn, the DCI, advised the Director of the BOB on 4 April 1966 50/ that he had approved [ ] (b)(3) supergrade positions and [ ] SPS positions, resulting in Agency (b)(3) increases of [ ] respectively. Although the DCI's (b)(3) letter also alluded to the continuation of the Agency's conservative promotion policy, he neither asked for an increase

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nor indicated that he planned to stay within the [redacted] ceiling. (b)(3)
Internally, however, the Agency lived within this ceiling.
Several months later the Agency did request an increase in
its supergrade ceiling, and after the usual amount of give
and take between Agency officials and BOB representatives, a
modest ceiling increase was approved for FY 1967. The ceiling
was increased in February 1967 [redacted] (b)(3)

By utilizing the same survey procedure in July 1967
the Agency FY 1968 supergrade executive and scientific position
requirements were developed. As in previous years the Agency
advised the BOB of its action and proposed a BOB concurrence (b)(3)
to its request of a ceiling of [redacted] positions. Eventually the
BOB agreed to a [redacted] ceiling, a [redacted] ceiling increase (b)(3) (b)(3)
over the FY 1967 allowance.52/ As it turned out, however,
this marked the last time that the annual survey approach was
used. In the future, the BOB officials suggested, the Agency
should accomplish an in-depth study and forecast of its SG/SPS
position requirements for five years (through FY 1973).

This eventually led to the incorporation for the first
time of the Agency executive and senior scientific position
requirements into the CIA budget submission. This was for
FY 1969. Definitely this was a logical approach because new
as well as continuing senior-level position requirements could

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be better justified by relating them to Agency programs detailed in the CIA planning-programming-budgeting submission. (b)(3) Following this approach, on 30 July 1969 the BOB approved a new supergrade ceiling of [redacted] and a scientific pay ceiling of (b)(3) [redacted] through FY 1973.53/

In summary, the Chief of PMCD serves as a staff advisor to the Director of Personnel on the appropriateness of the classifications of Agency supergrade and senior scientific positions and, from a position management standpoint, the number and distribution of the Agency's executive positions. He also insures that administrative considerations include the impact of proposed actions on the Agency ceiling for GS-14 through GS-18 positions, the Agency average position grade, and related personnel accountings.*

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* Appendix E is a position and personnel statistical summary report reflecting approved Agency senior-level positions and personnel during the period 1951-69. Variances in personnel accountings in this report and personnel ceilings cited in this narrative can be accounted for by acknowledging the Executive Director-Comptroller's policy of approving supergrade promotions for deserving individuals whether or not such actions would exceed the Agency supergrade ceiling. Administrative justifications were based on several factors, such as pending retirements, proposed ceiling increases under discussion with BOB officials, and the like.

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IV. Meeting Agency "Flexibility" Requirements

A. Manpower Control System

> From our own point of view our greatest single handicap, apart from managerial inexperience which is slowly being remedied, is the rigidity of the slotting system. The Agency's principal concern with slotting in any single component is the maintenance of the overall ceiling; it cannot be with the precise, permanent job description, grade, etc., of each individual slot, as might be possible in a stable situation or in an agency whose job remains fixed from year to year. In this Agency the nature and size of the job change so rapidly that no T/O can ever be up-to-date. Operating within a fixed but out-of-date T/O we are forced into compromises which overwork manpower in one place and waste it in another and altogether do not get the job done. What we need in the Clandestine Services is flexibility within a total strength figure, so that slots can be shifted as the need changes. Making these shifts, which arise from operational necessity, should be an operational function, not an administrative. It should be within the power of this Office, not DD/S, Director of Personnel, or other officers, to control the distribution of his manpower within the ceilings allotted to him. If we could shift slots immediately according to need we would not only do our operational job better; we would also improve our personnel management, in assignments, in career development, even in initial recruitment.

So responded Mr. Frank G. Wisner, DDP, to the ten-point program for improving CIA personnel management that was advanced by the Inspector General in 1955.54/

The DDP's complaint was caused by a change in policy on the development of T/O's within the Agency. In the early fifties -- probably because of the use of T/O's as planning documents -- there were projections of Agency requirements for the Korean

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episode that far exceeded actual demands. For example, on 31 December 1952 there were [redacted] T/O positions while the personnel ceiling was [redacted] for staff civilian employees and assigned military personnel. This enormous disparity allowed operating officials wide latitude for flexibility in obligating (by recruitment or promotion) whatever positions they wished.

(b)(3)
(b)(3)

If a person's promotion was desired and his specific position would not accommodate an upgrading, the individual was merely shifted to another position that would allow the promotion and it would be made with "no questions asked." In July 1954 the DCI requested the Assistant Director for Personnel to prepare a Directive that would state a goal for reducing T/O positions to ceiling figures. This was done promptly 55/ and, interestingly enough, this announcement set in concrete an administrative policy that has been continued since.

This 1954 policy change caused a sizable reduction in the actual number of T/O positions and also removed much of the flexibility heretofore enjoyed by operating personnel. Unfortunately it was, in effect, a return to the Civil Service approach. When an individual was to be shifted or promoted, it often required a T/O change, which was always time-consuming. Any delay was frustrating, of course, to operating personnel.

In an attempt to gain greater control over Agency positions,

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Mr. John O'Gara, Chief of the Management Staff, came forth in early 1955 with his Man-in-Motion concept. Under this industrial manpower control system, productive workers were isolated, in a personnel accounting sense, from the nonproductive ones. Productive people were those on the job or, stating it another way, were gainfully employed. Nonproductive personnel were those in training, between assignments, in travel status, and so forth. From this came the term "Staffing Complement," which was to reflect the actual work or man-years production requirements of the Agency. This complement would reflect the assignment of productive workers, whereas the "Development Complement" would be the vehicle into which nonproductive personnel would be placed. Behind this whole concept was an endeavor to not only determine the total ceiling needed to actually perform the work requirements levied upon the Agency but also to ascertain how much additional ceiling was needed to accommodate the large number of personnel in in-house and external training, in official travel status, or in rotation between headquarters and field assignments [redacted] involving home and vacation leave periods. (b)(3)

As part of this plan Mr. O'Gara attempted to introduce an element of flexibility whereby operating officials could administratively move positions from one organizational

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component to another in order to meet changing workload conditions. On 28 March 1955 this plan was submitted to the DDS, who approved it in principle and directed initial coordination with the Office of Personnel and the Comptroller.56/ When Mr. O'Gara's plan was presented to the Director of Personnel for his review, he immediately sought the technical assistance and advice of the C/PED. The PED review, of course, was designed to insure that not only the position classification program would be operable but also that various legal and administrative aspects of personnel administration were not lost in a new sea of red tape. It soon became apparent that the proposed authority for the operating officials to move positions freely would cause an unwieldy and unmanageable OP record-keeping problem.*57/ Recognizing a need for some administrative flexibility and attempting to maintain a systematized approach for T/O processing and personnel record-keeping, the C/PED developed an alternate proposal -- the flexible T/O. It had been amply demonstrated that in an intelligence organization workloads could, and did, shift overnight because of the impact of international events. Even so, the flexible

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* The flexibility part of the O'Gara plan was not a well-thought-out concept, especially in its administrative feasibility or its total effect on the Agency's position classification program.

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T/O proposal required Agency managers to make several kinds of important position management decisions on the positions under their control.

To be identified in the new system, were supervisory and singleton worker positions and also those worker positions the numbers of which could increase to accommodate increased workloads. Under the flexible T/O concept the Agency's T/O's were to be reflective of limited and flexible (incumbency) positions. For example, in a branch the branch chief position would be limited and, except for "overlaps" -- of the incumbent and his replacement -- would be restricted to one incumbent. In the same manner, his secretarial slot would be a limited position. The number of analysts or operations officer positions would be flexible, however, so as to accommodate expected workloads. Although each position would be planned for a specific number, an asterisk would appear on the T/O indicating that at a given time it was possible to rob Peter to pay Paul by slotting some people from one branch into another branch. Although a position may have been basically planned for two individuals, at a given time -- within the confines of ceiling -- four or five or any number could be slotted against this position to meet emergency work situations and/or accommodate unforeseen general increases in workload.

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In order to establish an orderly approach to T/O reviews and facilitate budgeting procedures, it was planned that before the beginning of each fiscal year each component would come forth with a planning paper that would depict its actual work requirements for the coming year. Positions would equal ceiling, and both limited and flexible positions would be indicated by a planned number of incumbents within this ceiling. In the case of the nonproductive workers in the Development Complement, each Career Service Head (who was also an operating official) could, if he wished, set aside "X" amount of his ceiling to provide for personnel in his Development Complement. Thus ceiling allowance for the Development Complement plus the number of planned positions in the Staffing Complement would equal ceiling. This system, then, would give the flexibility that the DDP desired, would encompass O'Gara's Man-in-Motion theory, and would ostensibly require fewer T/O changes throughout the year. It did not, however, establish an effective control on the use of grades and promotion allowances. Because the concept of the flexible T/O was so different from previous procedures, it was deemed advisable to install a pilot operation.

Having been well briefed on the subject proposal, General McClelland, the Director of Communications and a long-time member of the CIA Career Council, volunteered the Office of

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Communications as a guinea pig.* Beginning on 8 April 1956 a series of negotiations between representatives of the Position Evaluation Division, the Management Staff, and the administrative personnel in Commo took place in an attempt to put into effect this new manpower system incorporating the flexible T/O. One of the first reactions of Commo representatives was that this system could not work; there were not any controls over the assignment and promotion of personnel, and it would become a nightmare in a short time without effective controls. This was both a valid and an extremely important point. To this end C/PED then constructed a Career Service Staffing Authorization.58/ In its embryonic stage the Staffing Authorization was merely a compilation by grade level of all the grades in a career service. Related to these numbers, by grade level, was the total number of the career service's personnel. It soon became apparent that such a system would require, if personnel and position grade levels were up to full strength, a domino promotion theory. In other words, it would be necessary to promote a GS-14 to GS-15 before promoting a GS-13 to GS-14. In view of the Agency's "underslotting" and

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* General "Mac" was happy to do this since the Office of Communications had probably the widest variety of manpower control problems of any Agency component, and a more flexible system was what Commo needed.

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other assignment and promotion policies, this requirement appeared to be unworkable. As a solution the idea of a "cumulative headroom" was proposed. Simply stated, this would provide an authorization for so many individuals at each grade level based on vacancies at the grade level under review plus additional headroom created by vacancies at higher position levels. The computation involved (this is not yet fully understood in many quarters of the Agency) the independent cumulation of the number of positions and the number of personnel at each grade level as well as those above. Then the number of people had to be subtracted from the number of positions. The result would be the maximum position (promotion) headroom for each grade.*

For the moment this satisfied OC personnel, and a flexible T/O was constructed, including a Career Service Staffing Authorization. It also included a Development Complement of approximately [redacted] to take care of Commo's training needs and those persons in travel status. It appeared to be a workable system. The construction and workings of the flexible T/O and

(b)(3)

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* An example: A branch had 1 GS-15 branch chief position, 3 GS-14 positions, and 6 GS-13 positions. Personnel on board included 1 GS-15, 1 GS-14, and 3 GS-13 officers. In this situation the cumulative headroom would be: 0 at GS-15, 2 at GS-14, and 5 at the GS-13 level. In other words, the positions could be filled as T/O'd or the career service could promote 5 officers to the GS-13 level as another possibility.

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the Career Service Staffing Authorization were then presented to the Career Council* and the rest of the Agency in a series of briefings. At that time the DDI stated that the CSSA was unworkable and punitive to his Directorate because it did not allow for career personnel who were assigned to positions of other career services, ~~occupying "D" positions.~~ In order to cope with this situation a rotational allowance was established. Briefly, this gave a career service loaning a person to another career service an allowance for the job occupied and conversely would result in a "minus" in the allowance of the career service in which the job was occupied. This arrangement was satisfactory to the DDI and to all concerned.

Elated with the progress made, the Office of Personnel attempted two more significant steps during the winter of 1957. The first one was to make the Career Service Staffing Authorization into a complete manpower planning instrument. Under this concept each Head of a Career Service would, before the beginning of the fiscal year (preferably to be coordinated with the budget process), plan the outer limits by grades and numbers of position and personnel requirements of his career service. Of

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* At the 43rd meeting of the CIA Career Council, the members voted unanimously for the implementation of this system. This was on 23 May 1957, but it was to take over a year to refine the system and issue the regulation and handbook.

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course, the Office of Personnel would be responsible for compiling pertinent personnel and position data for each career service. The Career Service Head would, in turn, forecast at what grade levels his attrition would occur, plan for each grade level the number of accessions required, and determine the number of promotions he would effect. This fiscal-year projection involved not only the consideration of the impact of turnover on headroom but also a decision as to how much of the available headroom would be used for promotions and how much held in reserve. In effect, by this planning a Career Service Head would have personally limited the number of personnel he could have in each grade level for the upcoming fiscal year. He would also be held to the number of promotions he had planned. With this the Office of Personnel would have arrived in Utopia, because each Career Service Head would have committed himself for the year. As a result the Director of Personnel would know exactly how many people would be on board, how many promotions could be made, how many -- give or take a few -- OP would have to recruit, and how many people the Agency would lose, which was all the data that any personnel office needed to run a well-managed system.

Still flushed with all the apparent success of these developments, the Office of Personnel proposed the second feature,

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which was career service ceiling instead of organizational ceiling. This was based on the fact that OP had set up a fine plan for each Career Service Head to hire, fire, and promote; but if he did not have control of his positions, and if he did not have leeway for variations in his personnel requirements, he would be severely limited in the flexibility of his own personnel management. Therefore it was suggested that the Agency Manpower Control System be established on a career service ceiling basis -- that is, all positions designated to the parent career service. For example, [redacted] Support positions assigned (b)(3) to the DDP would be scrutinized individually and made part of the ceiling of that Support career service to which the position functionally belonged. All the Personnel positions in the DDP and the DDS would become part of the Personnel Career Service ceiling.* After considerable negotiations -- primarily with

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* There were a few Support positions in the DDI; but through a longstanding custom, the DD/I preferred to retain both positions and personnel. The DDCI resolved this "clinker" in the Agency Career Service System when he signed a memo to the Deputy Directors, dated 16 November 1964, directing that the Support positions on their T/O's be so identified. Positions and ceilings were to be transferred to the cognizant Support career services. The designated incumbents were given the prerogative of remaining in the Career Service that they were in or transferring to one of the Support career services. Affected employees had mixed feelings about this, and transferring or staying with their parent career service usually depended on where the best future opportunities lay.

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the DDP -- career service ceilings were finally set.

With the approval of the Deputy Directors, the change from organizational to career service ceilings was accomplished, and the manpower control system was almost ready for implementation. The only things left were the internal coordination and issuance of an Agency regulation and handbook. They were coordinated and approved on 14 November 1958 and issued as

(b)(3) [redacted]

(see Appendixes F and G). Although considerable planning had gone into this project and the proposed system appeared to be a reasonable solution to CIA's manpower control problems, the implementation of the system was another matter. Administrative obstacles appeared right and left. The first serious obstacle was Mr. Edward Saunders, the CIA Comptroller, who went on record that because the Agency budget had to be prepared on an organization basis,59/ his accounting system must be maintained in support of that. Of course the identification of positions by organizations could be easily obtained from career service records, but the Comptroller and his staff were less than enthusiastic about career service ceilings. With this type of strong resistance the use of the CSSA went downhill rapidly. On the career service planning side there was evidence of a reluctance to put "projections" on a planning paper that

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would ultimately bind the career service with a fixed Career Service Staffing Authorization. In actual practice many requests for exceptions were submitted to the Office of Personnel. At first these requests were reviewed carefully, but the number became so great that of necessity the review became quite cursory. It was not long before the system became a farce. Finally, in 1961, the C/SWD, convinced that the Agency was not interested in such an advanced manpower control system, proposed drastic changes in the system. The C/SWD proposed that career service ceilings be eliminated. In consonance with that, the CSSA was changed to the Career Service Grade Authorization (CSGA), which was merely an accounting of the available headroom based upon a comparison of the status of people against the position levels in a career service. These modifications to the system were approved and have been in effect since 1961.

The Office of Personnel and the Management Staff attempted to develop an Agency Manpower Control System in response to operating officials' pleas for greater flexibility, better managerial control, and accountability of manpower. Vital assets in the basic system could have fostered refinements to manpower planning, improvement in the career services' management, and more orderly Agency-wide development of its personnel.

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Should this effort be written off as an example of an ambitious Office of Personnel planning effort going for "naught" because the proposal was simply not in tune with the Agency's management posture? Although the staff officers involved were highly enthusiastic and initially received management support, once installed the system floundered. In retrospect it would appear that the flexibility that was built into this system was not enough to compensate management for annually putting itself on the "firing line." It simply did not want to be a party to the development in the manpower area of planning documents that could become constraints later. All that remains (1971) is the flexible T/O and the Career Service Grade Authorization, which is still not well understood.

B. Administrative Constraints (1952-56) to Agency Flexibility Demands

As mentioned earlier, General Smith as the DCI encouraged his "specialized deputies" -- three by this time as he had established the DDI in January 1952 -- to accept and plan on a big scale to meet various intelligence and operational requirements that the intelligence community wanted to levy upon the Agency. Following this tack, Agency components' T/O's had been planned to the maximum, and the personnel recruiters were scouring the countryside looking for likely recruits. General

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(b)(3)

Smith noted that although the Agency had submitted budget estimates for FY 1953 for about [redacted] positions, the Agency "can't get qualified people to fill that personnel ceiling. They simply don't exist. We've gone about the limit ... so, my intention is to keep our numbers down, to be more selective instead of expansive, and look more and more to the juniors to fill the senior posts."60/

General Smith's philosophy was certainly in tune with that of the new Eisenhower administration which was committed to insuring a balanced budget and the elimination of any deficit. On 3 February 1953, the Director of the BOB sent a letter* to the DCI requesting him to review the Agency's programs and personnel requirements with the intent of eliminating unessential programs, activities, and position vacancies for both the remainder of FY 1953 and FY 1954. Possibly anticipating this, General Smith had already ordered a 25 percent reduction in the personnel requirements of the Agency's budget estimates for FY 1954 -- even before the BOB directive had been received by CIA.61/ Since General Smith was only days away from leaving the Agency, he sought the concurrence of Mr. Allen W. Dulles,

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* This BOB directive was sent to the Heads of all executive departments and agencies.

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his successor. Further, when Mr. Dulles became DCI he continued this Administration policy of trying to reduce T/O's to ceiling.

Later, in the spring of 1953, Mr. Dulles was to find that General Smith's "arbitrary" personnel reductions were not enough. As a result of hearings before a subcommittee of the House Appropriations Committee, Mr. Dulles agreed to

(b)(3)

a staff ceiling [redacted] June 1953 on-duty civilian staff strength plus a [redacted] ceiling to carry out increased missions).62/ Although the Agency's ceiling did increase slightly during the mid-50's, the DCI attempted to follow the Administration's line by encouraging the dropping of activities of lesser priority in order to take on new requirements.

What was the impact of tighter budget and ceiling controls on Agency position management in these years? Certainly as the personnel ceiling and number of T/O positions moved closer together, the greater became the need for expert personnel management and the louder became the clamor for greater flexibility. In the final analysis it was up to the Office of Personnel -- the Classification and Wage Division, primarily -- to respond in some fashion to these requests.

Even the Inspector General's staff got involved in the rationale of the Personnel Office's reluctance to develop more

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flexible programs to meet the unique requirements of CIA. In the Inspector General's 1953 Survey Report of the Office of Personnel, the following statement was made 63/:

> There is no question but that a classification system is required. It is also agreed that the Civil Service Wage Scale is acceptable. What is required is perhaps a classification system tailored exclusively to the requirements of CIA.

On 15 January 1954 Mr. George E. Meloon, the Director of Personnel, responded to the Inspector General Survey findings on the Agency's position classification program in this fashion:

> The Agency's problem with respect to classification has been due to a lack of understanding among operating components concerning the purpose of classification and their reluctance to accept the application of any classification system. The experience of Government and industry alike has demonstrated the need for systematic classification of positions. This is a highly technical purpose which involves consideration of occupational and qualifications information as well as pay. Any proposal to revise the Agency's current classification system should receive very careful consideration in relation to the technical and administrative problems involved. In this connection, the Atomic Energy Commission, which because of its security requirements was also exempted from the Classification Act of 1949, found itself in serious difficulty with the Congress when it failed to administer its classification plan in accordance with the basic principles stated in that Act.64/

C. Agency Compensation System

Through the early and mid-50's, officials in many Agency components, particularly the DDP, became increasingly disenchanted with both the Agency position classification

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programs and the Federal pay scales. Of course the 1949 policy decision of Admiral Hillenkoetter 65/ to adhere to the Classification Act irked many who thought the system was ponderous, inflexible, and not suitable for attracting and retaining the best qualified applicants and employees in an expanding labor market. As early as 1952 Mr. Lyman Kirkpatrick, then the AD/SO, wrote to the DDA 66/ that the Agency classification system handicapped OSO personnel administration in that (1) it mitigated against the exercise of flexibility in the assignment and transfer of personnel, and (2) it prevented the rewarding of personnel who might be required by operational necessity to remain in their appointed assignments -- thus keeping them from being promoted because of the classification of their positions. The AD/SO strongly recommended that the Agency classification system be abolished and a more sound program of personnel administration be developed and implemented; and in recognizing the need for an extended lead time to develop a new system, he suggested that some of the OSO classification or personnel problems could be resolved under the Agency system if a greater degree of flexibility were to be introduced.

In 1952, in response to the OSO pressure for greater flexibility in assignments and promotions, the Acting Assistant Director of Personnel sent to the DDA a recommendation 67/ to

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approve a modification to the Agency classification program that would authorize the assignment or transfer of personnel to meet operational requirements even though the position classifications, in themselves, did not justify such movements. In other words, the classification grade was not to be the determinant for assignment. A control factor (5 percent of Agency positions could be so encumbered) was also introduced and was accepted by management.

This resolution of an important personnel issue resulted in the publication of [redacted] which incorporated the OSO assignment and transfer of personnel recommendations. It was to be two more years before the Agency approved [redacted] which authorized -- under prescribed conditions and within defined controls -- the promotion of employees above the grade of their jobs. The suggestion to abandon the Agency classification system was tabled, however, by the DDA. In agreement with the Acting Director for Personnel, he felt that Agency management would have to develop considerably more evidence to support the contention that the Agency should have a more suitable classification system.68/

(b)(3)

(b)(3)

(b)(3)

(b)(3)

* [redacted] was issued on 9 October 1954.

** [redacted] was issued on 29 November 1956.

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Interestingly enough, both the incumbent Chief and Deputy of the Salary and Wage Division shared many of these feelings of the operating officials about the inadequacies of the Agency classification program, but for more technical reasons. Because of lagging Federal pay schedule revisions, for example, "grade escalation"* had become the order of the day throughout the Federal Government. Indeed, it had become exceedingly difficult to rationalize grade differentials under either accepted Federal position classification standards or industrial evaluation techniques.

With the DDA's approval of [redacted] (b)(3) regulation, the door was left open for operating officials to stack the deck with further evidence of the negative aspects of the Agency's position classification system. Under these circumstances, the Director of Personnel did indeed find himself on the horns of a dilemma. Should he wait for the Agency "operators" to exert more pressure, or should he take the initiative and have his position classification staff begin

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* Grade escalation resulted from position management decisions that inflated the duties and responsibilities of positions sufficiently to warrant upward reclassifications and, of course, salary increases. Unfortunately, many of these positions continued to function at the lower grade levels.

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to explore the parameter of this problem that was only bound to get worse?

Having decided in early 1955 to take the initiative himself, the Director of Personnel found a likely candidate in the Deputy Chief of the PED for chairman of the Agency Task Force on a Revised Personnel System.69/ By 7 March 1955 the task force was organized* and ready to tackle the problems to be faced by the Agency in developing a new personnel system.

Strictly speaking, the revised personnel system was to be largely concerned with the development of an up-to-date classification and compensation system with strong consideration of how such a system would affect personnel management in the "operational side of the house." The question might also be asked, "Did the Task Force members know the problems they were to face?" Of course not! So for the reader the following (long) summation is presented so that some of the basic problems will be clearly understood.

Since its activation the classification and compensation policy of the Agency for its professional, technical and clerical positions had been to follow, insofar as possible,

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* In addition to Mr. Robert W. Sheay, Chairman, other members were Mr. John Caldwell, Miss Bertha Bond, and Mr. James J. White.

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conventional government practices as prescribed in the Classification Act of 1949. By 1955 average-grade studies showed that the Agency average T/O grade was higher than that in comparable Federal agencies. Thus, in fact, the guiding Agency principle used in administering the classification plan had been one of liberality. Although there were eighteen grades under the Act, for all practical purposes the Agency used only thirteen. The three lowest clerical levels (GS-1, 2, and 3) were hardly used, GS-08 and GS-10 levels were used principally for subprofessional and technical work efforts and the three uppermost grades (GS-16, 17, and 18) were reserved for and handled by the Agency Supergrade Review Board. By process of elimination this left ten grades that were used to identify all levels of work from trainee through senior program managers. In most lines of professional work it was not difficult to identify the beginning trainee level (GS-07), the full journeyman (GS-12), and the various levels of supervision. This left only the intermediate levels -- that is, GS-09 and GS-11 -- to be used as incentives for trainees to develop into full journeyman professionals. (In some cases, some positions required exceptionally highly developed skills, unusual hardships, or hazards which justified journeyman levels above GS-12.)

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Most of the "overt" functional areas of the Agency had counterparts in the rest of the Government. Thus external job comparisons could be made or, when they were available, position classification standards could be used. In these areas the position classifiers could distinguish between most of the various grade levels and had little trouble in furnishing adequate classification support to these activities. With regard to those fields of endeavor in the Clandestine Service, however, there were many functional job patterns that did not have counterparts elsewhere in either Government or US industry. Few Agency job standards had been published to differentiate between various levels of work. As with more orthodox professional fields, it was easy to identify entrance -- or beginning -- level of work, the full journeyman, and the supervisory levels, and to classify them. At the intermediate levels, however, many intelligence operations officer positions were only distinguishable by the "degree of supervision received from above" (and this frequently could be quite general) as the nature and variety of work performed remained basically the same. Frankly, attempts to identify seven professional levels of "operational work" usually resulted in delineating distinctions that were artificial and unrealistic. On this basis, then, the allegation that the "normal" classification

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approach resulted in minute and arbitrary fine grade distinctions was considered to be true. Therefore the initial or basic problem was to secure agreement as to how many levels of professional and support work there really were in the Clandestine Service (and in the rest of the Agency, if the system were to be Agency-wide).

The second, and probably larger, problem, from a classification standpoint, was to insure that the system finally established would provide a monetary means for recognizing and rewarding superior performance without having to resort to promotions that could not always be justified technically.

As a result of the rapid expansion of the Agency during the 50's, most of the classification staffing patterns on Agency T/O's reflected approved grades in support of "maximum staffing." Unfortunately the Agency recruiters were simply not able to find sufficient numbers of experienced or otherwise qualified personnel to fill these requirements. In order to secure sufficient staffers, however, the Agency adopted a recruitment policy which concentrated on securing junior officers and "training them up" for Agency long-term career assignments. Because the T/O exercises were looked upon as "estimates" or "projections," and knowing full well that there would be administrative objections from Agency program

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directors if their T/O's were to be adjusted downward, the Agency "coasted" into a permissive underslotting philosophy. Although other Federal agencies have utilized underslotting from time to time, it has been used in a strict and restricted fashion. With no administrative controls, CIA management was condoning the practice of slotting personnel against T/O positions that had been graded one to several grades higher than the grades of the incumbents. In most cases an employee could be promoted one or two grades upon the recommendation of his supervisor simply by gaining sufficient experience on the job. Most promotions were therefore acknowledgements of the development (in some instances rather rapidly) of such employees; some so-called promotion actions were, in essence, the only discernible way for management to reward those employees whose performances were outstanding in their current jobs. As a result the Agency promotion rate had so accelerated that by 1955 80 percent of the CIA employees had been in grade less than two years. As a consequence many officials felt that the Agency was fast approaching its saturation point with respect to promotion potential. As long as operating officials had available a "cushion" of grades by which they could reward employees with promotions upon demonstration to perform either duties of a higher level or perform in an outstanding manner

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in one's current job level, however, they did not complain about the system's inadequacies. With General Smith's orders to cut T/O's back, coupled with the fact that the employee's grade would eventually approximate that of the T/O grade, it soon became apparent that the Agency's promotion policy would have to change. There was another constraint -- most T/O positions had been classified on the basis of projected duties, and it seemed unlikely that any re-evaluations would justify higher T/O grades. Under these circumstances operating officials would no longer have a means, other than promotion, of recognizing outstanding performances. Because this category of employees represented a considerable nucleus from which future Agency supervisors and administrators would ultimately be selected, it was soon rationalized that a revised personnel system should include a means to identify and reward such employees.

Between 1955 and 1958 several distinct CIA pay plans were developed by PED staffers. As part of this effort, independent studies of US industrial, commercial, and other government compensation plans were undertaken.*70/ The best features of

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* After two years of waiting, the Chief of Operations of the DDP asked the IG to set up a Task Force to ascertain how the CIA pay plan compared with that of other organizations. The DDS managed to convince the IG that the OP people should do this study, which was completed in June 1957.71/

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each plan were considered and sometimes adopted for one or more of the proposed Agency systems. Thus the pay plans, themselves, ran the gamut from using the basic Classification Act plan and merely extending the pay range for each grade level (to provide more merit step increases) to a plan that reduced the number of grades from eighteen to sixteen, established increased pay ranges, and provided three separate pay schedules.

Most of these drafted plans were circulated and prompted mixed reactions from the operating officials, the Comptroller, and the General Counsel. In spite of these reactions, Mr. Gordon M. Stewart, the Director of Personnel, had the C/PED complete a plan that was presented to the CIA Career Council on 27 March 1958.72/ The 1958 proposal 73/ was geared to combat the major deficiencies of the Civil Service classification and pay plans, which were:

a. too many professional grade levels requiring fine and arbitrary distinctions between levels of work;

b. extremely small salary ranges for each grade (particularly at the higher grades); and

c. no provision for augmenting the salary of excellent or outstanding performers without promoting them.

Highlighting the 1958 CIA compensation system were these proposals:

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a. To apply to all positions above GS-07 (professionals in GS-08 through GS-18);

b. To reduce, through consolidation, nine grade levels into five groups;

c. To provide extended salary ranges in each group -- up to a maximum of 48 percent of maximum of the base rate; and

d. To provide two types of advancement: (1) competitive promotion by Career Services, and (2) merit increases (one to three at a time) based upon performance. (Clericals through GS-06 would continue to receive "automatic" step increases.)

After the briefing of the Career Council, which gave its blessing to the plan (see Appendix H), practically all senior Agency officials were personally briefed on the parameters of the compensation plan. In addition the Director of Personnel discussed this pay proposal with Mr. Rocco Siciliano, the President's Personnel Advisor, on 22 April 1958.74/ In fact the concept so interested Mr. Siciliano that he hoped the Agency would pursue it with BOB officials and with members of the appropriate Congressional committees.* The administrative

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* As a matter of record, the 1962 (next) Federal pay legislation was to incorporate some of these concepts.

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realization that there would be requirements for high-level, external approvals for such a plan, coupled with the strong feeling that the Agency would have serious internal administrative problems if it could not effectively control the increased costs,* eventually put a damper on its final approval.75/

In fact the whole proposal was eventually put on the shelf and forgotten. At about this time the CSC and BOB officials had become most concerned about the Federal "grade escalation" problem and had established a study group to look into all of its pay ramifications. This group's research did result in the development of a Federal Pay Proposal, which was submitted by President Kennedy to the Congress and was approved as the Federal Salary Reform Act of 1962. This Act incorporated many of the concepts in the CIA plan, such as better pay comparability (with US industry), wider pay ranges within grades, and provision for the awarding of quality step increases for superior performance.

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* Other than for basic pay rates, which were tied into the then-current Federal pay schedule, the increments and pay ranges far exceeded those of its Federal counterpart.

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V. "The Name of the Game"

The basic position classification program and its functionally related responsibilities have not changed appreciably during the first twenty years of the Agency's growth.* In the development and refinement of its support role, however, administrative nuances have been reflected in the variety of organizational titles attributed to this function.**

In July 1947, in the embryonic CIA, the Classification Section in the Personnel Branch came into being. The program's organizational location was indeed indicative of the smallness of the Agency at that time. But by December 1948 -- despite little change in either the classification program or staff -- it had become the Classification and Salary Administration Division of the Personnel Office.

By September 1949 this program, newly independent of the CSC, faced with the assumption of an increasing amount of work

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* This thesis does not ignore the fact that during the closing years of this history, potentially strong position management staff responsibilities were assigned. With strong Agency line managers, however, the program has had to be sold to each and every one.

** See Appendix I, List of Key Personnel and Organizational Changes in CIA Position Classification Program.

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in the establishment of Agency Wage Board positions, changed its name in order to reflect this additional work. During this period the program was divided operationally to furnish better classification support to Agency clandestine programs. Thus the Agency had an Overt Classification and Wage Administration Branch in the Personnel Office and a Covert Classification and Wage Administration Branch under the Chief of the Special Support Staff.* One further variation occurred during this period. In order to insure greater uniformity of classification actions proposed by these two branches, a two-man Classification Review Staff was established in the Office of the Director of Personnel.

General Walter B. Smith's order of 1 December 1950 76/ established a DD/Administration, with responsibility for the personnel program. At this juncture all Agency personnel activities were formally centralized in the Office of Personnel. Thus the overt and covert classification responsibilities became the full responsibility of a single program director -- the Chief of the Classification and Wage Division.

The name changes were slight during this early period,

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* Policy guidance and technical responsibility for the Agency position classification program, however, remained with the Director of Personnel.

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and all of them followed Civil Service nomenclature. Indeed, during the 1947-49 period CIA was under the Classification Act administrated by the CSC. Then in 1949, after having been exempted from the Classification Act, the DCI went on record with his policy announcement that the Agency would follow the Classification Act in principle. Thus the division's organizational title was continued unchanged until July 1955.

Early in 1955 the Inspector General (Lyman B. Kirkpatrick), in a famous memorandum to the DCI, set forth ten suggestions for improving CIA's personnel management. His first recommendation was to affect the Classification and Wage Division activities and posture more than any of the others.* It was to "make service the slogan of the Personnel Office, and see that every individual in that office understands and acts accordingly. The Personnel Office should be advised that its mission is to do what CIA wants done in the personnel field even though it does not coincide with Civil Service practices."77/

Although never stated as such in writing, a significant

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* Other suggestions pertained to diverse personnel management practices and procedures needing corrective action. Among these were the problem of overseas returnees finding that they did not have headquarters assignments upon their arrival, Agency supervisors needing training in personnel management, strengthening personnel procedures governing the handling of contract personnel, and so forth.

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and recurring type of complaint that precipitated point number one was the alleged niggardliness of the Classification and Wage Division in not giving the "operators" the classification grades they thought they needed. The Division was castigated for writing terse and abrupt memoranda turning down "valid" requests of operating officials -- always comparing the Agency's unique programs to routine programs and functions found in Civil Service agencies! The degree of defensiveness of the Director of Personnel is illustrated by Mr. Harrison G. Reynolds' comment on the IG's first recommendation: "Our contacts with the civil service system are extremely limited, being confined to such things as participation in the government-wide retirement system, observation of the requirements of the Veterans' Preference Act in adverse actions on employees ... ."78/

In order to remove the stigma of the Civil Service and all it stood for, the Classification and Wage Division's name was changed in July 1955 to the Position Evaluation Division. This name change was further fortified by the adoption of the "service" slogan by the Office of Personnel, and admonitions were made to the C/PED to be more agreeable with the operating officials in dealing with them on their unique classification requests.

The Position Evaluation Division title had a life span

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of about three years, lasting until mid-1958. At that time several factors increased in importance sufficiently to cause another name change. In 1958, with Mr. Gordon M. Stewart as the CIA Director of Personnel, there evolved a philosophy of overall monitoring and controlling career service actions in the field of compensation and promotions rather than by the review of individual personnel and classification actions. Under the CIA Manpower Control System* [redacted] the Career (b)(3) Service Staffing Authorization set the limits on the career service promotion and recruitment actions. Second, in implementing the "average grade control" concept* [redacted] (b)(3) it was implied that the classification monitoring would be minimal if the average grade were maintained or lowered. Under these new concepts the control function was to be accomplished in toto. Therefore, with these changes in effect, it was decided to change the name from the Position Evaluation Division to the Salary and Wage Division.

During the early 1960's the Bureau of the Budget had unsuccessfully experimented with trying to control grade escalation and ceiling increases in the departments and agencies through a "containment" approach -- expansion limited to those

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* See Chapter VI for details.

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actions that would not affect average grade and average salary ceilings. By 1965 the BOB (and CSC) had discovered that these budgetary and statistical controls were not directive enough; departmental managers had to recognize the importance of proper position management.* Considerable stress was placed upon the importance of the position management responsibility of the heads of departments and agencies. In order to discharge this responsibility, the heads of many departments and agencies assigned this function to the Management Staffs so as to insure compliance if program directors did not "follow through themselves." The demise of the CIA Management Staff in May 1961 had, however, left a gap that had not been fully assumed by the Agency program directors or by any central support staff. Although the SWD had informally been trying to fill this role partially, it was not until October 1965 that Agency management formally assigned this staff responsibility to SWD. The DDS also accepted the Director of Personnel's recommendation that the name be changed to the Position Management and Compensation

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* In an effort to reduce grade escalation in the civilian work force of the Department of the Army, the Civilian Personnel Division, OSA, issued position management instructions and guides to its installations in the early 1960's. Thus the position management concept was admittedly plagiarized from the Army by the CSC and the BOB.

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Division so as to describe more adequately the augmentation of the division's functions. Although the basic position classification function has remained largely unaltered, administrative events and program assignments through the years have had an effect on the "name of the game."

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VI. "Controls"

A. The Role of the Director of Personnel

In early 1957 Mr. Gordon M. Stewart, the incoming Director of Personnel,* received a memorandum from the DDCI, Lt. General Charles P. Cabell,79/ transmitting a thoughtfully researched paper prepared by Mr. Lyman Kirkpatrick, the Inspector General. The subject was the "Role of the Director of Personnel" and the IG stated that he thought the Career Council should use this as a basis for clearly determining the specific responsibilities of the Director of Personnel as well as those of line supervisors in the area of personnel management.** For many years various "strong" operating officials had challenged the incumbent Directors of Personnel whenever they felt that operating prerogatives were being usurped in the slightest manner. The IG analyzed various facets of these problems and came out quite clearly in favor of a stronger role for the

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* Stewart was D/Pers from 18 January 1957 to 6 June 1960.

** Indeed, the members of the Career Council did, at their 42nd meeting (April 1957), discuss this paper. Although they did, in essence, tend to support a balance between centralization and decentralization, they agreed that at least three Personnel activities should remain centralized -- classification, personnel recruitment, and personnel records.

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Director of Personnel. Some of his recommendations were:

On Personnel Policy:

> The Director of Personnel ... should be the principal source of personnel policy suggestions and his role in this respect must be clarified ... (he) should have the principal voice and his advice and guidance on major issues must reach the Director undiluted and undistorted ... . Sufficient authority should be delegated ... to make minor policy decisions ... its extent should be made perfectly clear ... .

On Classification:

> This is definitely a function for which the Director of Personnel should have sole responsibility ... uniformity and consistency throughout the Agency is of vital importance and cannot be achieved by Operating Officials.

On Control:

> After personnel policies are established and ... regulations are published, one more element must be added -- that of control ... the policing function ... to see that policies are carried out ... one which must be backed by high authority ... by the DCI when the situation warrants it.

The introduction of a senior Clandestine Service officer into the role of CIA Director of Personnel created some unusual administrative dilemmas. On the one hand, Mr. Stewart had a draft charter that would have headed the Agency toward a stronger central Office of Personnel; yet he brought with him a definite leaning toward the practice of covert autonomy. In part his professional stature as Chief of FI and a senior CS official overseas rested on this principle. As the Director

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of Personnel, however, he found that he had to address himself on an Agency-wide basis to the problems at hand, the solutions to which had to be reasonable for all concerned. As part of his own broadening, Mr. Stewart reached out to the Federal community and for the first time established liaison (a field that he was expert in) with the Civil Service Commissioners, officials of the BOB, and Mr. Rocco Siciliano, the Personnel Advisor to the President, and with his staff assistants.

One of the most critical problems to face Mr. Stewart was that of grade escalation, which had also been developing in Federal agencies under the Classification Act. This involved the practice of making position management decisions that "built up" the responsibilities of positions to justify higher grades and, of course, higher salaries. (Congressional action on Federal pay legislation was so notoriously slow that whenever a pay bill was finally passed the increases were never in consonance with most recent industrial wage adjustments.) Usually such administrative actions were taken to provide better comparability with industrial salaries. Frankly, such practitioners believed that they would be in a more competitive position to retain or recruit high-quality personnel.*

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* Although this practice was mentioned in Chapter III in the discussion of supergrades, the wholesale nature of the Federal problem was not emphasized.

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B. The CIA Internal Grade Control System

Naturally, as Agency programs expanded, the average position grade increased, as most of these programs were staffed by professional personnel. Once the Agency had reached a "reasonable growth" -- time-framed by General Smith's departure in February 1953 -- it might have been expected that the Agency T/O position structure would be stabilized. If it had stabilized in 1953 the 9.2 average grade would have been considered very high. Unfortunately operating officials continued to submit request after request for upward position reclassifications* (relatively few requests involved downgradings) for the next several years. In fact there was no real administrative control over this phenomenon; the Management Staff, which could have exerted strong control, was never permitted to assume that role.

Through organizational location of his position the C/PED was not only the approving officer for these classification requests but probably the most cognizant Support officer on

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* PED studies reflect various Agency position management decisions that were instrumental in upgrading blocks of various types of Agency positions. Security was perhaps the most used -- elsewhere couriers were GS-01 and GS-02; in CIA they were GS-04 and GS-05. Clerical and typist positions were GS-04, contrasted with GS-02 and GS-03. Not to be forgotten, of course, were the "upgraded RI analyst" positions, etc.

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the impact of these classification approvals on the average grade of the Agency. Mr. Robert W. Sheay, the incumbent C/PED, would periodically prepare reports and graphics reflecting this upward trend both in CIA and in selected other Federal agencies. Frankly, these reports during the 1955-57 period could best be labeled "FYI"; no Agency official took any steps to do anything to curb the trend. Finally in early 1957 Mr. Sheay addressed himself more fully to the problem and convinced the new Director of Personnel, Mr. Stewart, that some action should be taken.* The C/PED prepared a memo 80/ for the DDS recommending that an Agency policy be established that would designate the current average T/O grade for each major component as the maximum average grade for the subsequent year. Along with this it was also proposed that existing ceiling controls be continued. Some flexibility was to be provided by permitting grade structures to be adjusted within the established Directorate ceiling limits in order to meet operational requirements. Basic to this proposal was the fact that during the 1953-56 period the average grade had been slowly increasing but at a decreasing rate -- indicative of a leveling off of the Agency

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* By that time CIA had the highest average position grade (9.5) of any Federal agency of comparable mission and size. See graph on page 133.

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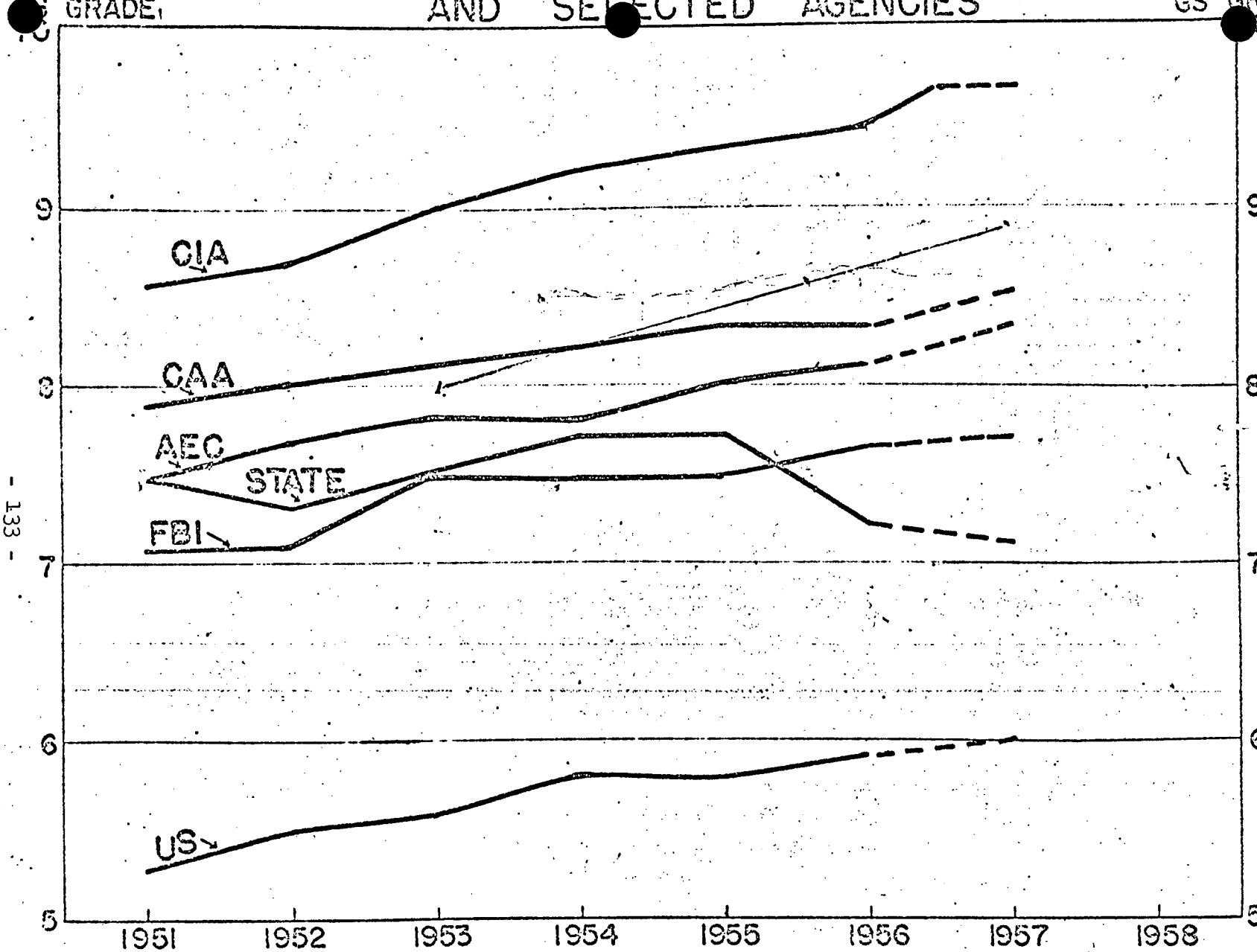
AVERAGE GRADE TREND IN CIA, FEDERAL GOVERNMENT, AND SELECTED AGENCIES



Dept. of State figures include Departmental GS positions only. The overall State average was computed for 1954 at GS-8.4 by converting all Foreign Service positions (FSS, FSRO, FSC, Career Ministers, Chiefs of Missions, etc.) to their GS equivalent on the base salaries.

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position structure. An analysis of the trend during the first half of FY 1957 revealed, however, a fairly sharp upward increase. In addition, the T/O proposals for nine major components, all with proposed increases, were in process. Classification negotiations would not stem the tide; a control mechanism would have to be introduced.

This proposal never got out of the Director of Personnel's office. Although it is true that the D/Pers had some proposed "control" responsibilities in his office charter, it was clear to him that a "freeze" on personnel promotions would be unpalatable to the Deputy Directors. Another consideration could have been that the Director of Personnel was still "feeling his way" and preferred to proceed cautiously during his first year in office. A year or so later his reaction was to be somewhat different.

During that intervening year CIA continued to remain in the lead as the Agency with the highest average grade. Meanwhile, in late 1957, Mr. Robert F. Swezy, the former deputy, became C/PED. His approach to problem solving was much more direct than those of his predecessors. He viewed the problem as one that could only be overcome by installing stronger controls so that the average grade could not continue to rise without the approval of top management. The C/PED knew that

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the Agency T/O structure would never stabilize without strong controls, and he was also well aware that as the employee average grade got closer to the T/O position average grade, the greater the amount of resistance that would come from operating officials. So he pulled out "all the stops."

The C/SWD* first approached the Director of Personnel and convinced him that some administrative controls were in order. Once this was done he followed up with a strong memo 81/ for the signature of the D/Pers to the DDS recommending that the average grade of each career service be frozen at such time as the Agency Manpower Control System [redacted] was installed. Interestingly enough, the pilot installation of this manpower system in Communications had by this time already demonstrated the need for additional controls. Although the CSSA was developed for this purpose, it still left too much administrative discretion in the hands of the operating officials. In fact the CSSA was more a statistical tool than a control device. (b)(3)

The upshot of this was that while the Director of Personnel indeed did recognize the need for a greater degree of centralized control over the career services, he left his own

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* The Position Evaluation Division was redesignated Salary and Wage Division in July 1958.

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personal imprint on the solution* of how a Career Service head could operate most flexibly within a controlled situation. With reference to the maintenance of average grade, Mr. Stewart personally wrote the following paragraph:

(b)(3)

> 5. The Chief, Salary and Wage Division, Office of Personnel, will apply the techniques prescribed in [redacted] to all changes in classification. The extent of his survey will, however, be determined by the extent to which the changes proposed affect the average grade of the Service or Services concerned.82/

Perhaps to the Director of Personnel this solution continued the "covert autonomy" concept under broad administrative controls. In any event Mr. Stewart was recognizing the fact that central administration had an important role and that to be effective management channels must be two-way streets -- with some give and some take. It is apparent that he resolved several central control issues himself by insuring that those controls that were approved during his tenure were broad-gauged ones that would permit the career services sufficient room to maneuver.

In a sense the average grade control system was successful. By 1961 CIA was no longer in the number one position as far as

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(b)(3)

* The SWD memorandum was never approved. Instead, Mr. Stewart personally approached each Deputy Director and got his concurrence in an Agency control. Implementation was accomplished through [redacted]

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average grade patterns in Federal agencies were concerned.* It still remained among the top ten agencies but, generally speaking, interagency comparisons of average grade trends were more favorable.

No one system -- barring an all-out freeze -- could keep a developing organization's average grade from rising; and the Career Service Average Grade concept did not prohibit classification submissions that would increase the average grade, provided they were fully justified. What it did do was to make top management focus more keenly on position management decisions. Those proposals that did not raise the average grade of the career service could be resolved in relatively short order through negotiations with C/SWD and the Head of the concerned career service. But every proposal that would cause the career service's average grade to rise would have to be cleared with the Deputy Director concerned. In some cases the Deputy Director could make satisfactory intra-directorate adjustments sufficient to accommodate the proposed increase. In situations where it was not possible to do that, the DCI had to decide whether or not the proposal was critical enough to warrant an increase in the Agency's average grade.

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* This was notwithstanding the fact that the Agency average grade had risen from 9.5 to 9.8 during the 1957-61 period.

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In another way this exercise in self-discipline could also be acclaimed a success. Program administrators were able to hold moderately tight reins without creating a paper rebellion. This was a change-over; for many years Agency supervisors fought classifiers independently for what they thought their own requirements should be, with minimal coordination or control exercised by those in senior staff or command positions.

But in a third way the system might not be labeled as other than a stop-gap measure. This occurred, of course, in 1964 when the BOB began to take a closer look at what was going on in CIA.

C. Impact of the Bureau of the Budget as a Control Agency

In 1962 the Kennedy Administration had sought more realistic Federal pay legislation that would elevate salary levels of Federal executives so that they would be comparable to salaries being paid their counterparts in US industry.* It was assumed then that Federal program administrators would be satisfied with these upward salary adjustments for their executives. This, unfortunately, was not to be the case.

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* Accomplished in October 1962 by the passage of the Federal Salary Reform Act of 1962 (PL 87-793).

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Within 18 months of the passage of this pay legislation, the CSC and the BOB became aware of and concerned with the still rising trend in Federal executive position classifications. It was found that Federal agencies had continued to permit their classification grades to escalate, especially at the GS-13 and higher levels. For example, in CIA, as the supergrade positions grew numerically, so did the grades of senior-level supporting professional positions. Other program increases and a few new ones managed to push the average grade of the Agency from 9.6 in 1958 to 9.8 in 1963. Although this was a relatively modest increase, the reason that it was not higher was probably because the Career Service Average Grade Control System had been introduced in 1959 and was working as a control.

As a result of these grade escalation practices in the Federal structure, the BOB began an inquiry into the matter. Even CIA came under the close scrutiny of the BOB. In April 1964 the DCI received a letter 83/ from Mr. Elmer Staats, the Deputy Director of the BOB, in which he stated:

> The almost continuous rise in the average grade of Federal employees raises serious questions about the adequacy of existing agency management controls. While there are circumstances where changes in the complexity of the work and work processes justify an increase in the average grade, it is questionable whether those changes account for annual regularity of the increases in grade in most agencies.

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For several years the annual budget instructions (BOB Circular No. A-11) have been extremely restrictive on the provision of funds for the prospective upgrading of positions.

This was the tone of the BOB letter, which also requested a report from the Agency as to the steps it proposed to take to hold down the number and percentage of positions in grades GS-13 and above and to keep from increasing the average grade of the Agency. Quite revealing was the attachment to this letter, which reflected the overall Federal government grade distribution and average grade from 1958 to 1963. During that time the departments and agencies under the Classification Act had an increase in average grade from 6.4 to 7.2.*

During previous years the BOB had, to a considerable extent, maintained a liberal policy with respect to the CIA budget submission.** Under President Lyndon B. Johnson's Administration, however, the BOB vigorously pursued the President's goal to reduce Federal expenditures -- even in CIA programs.

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* The concern of the C/SWD in 1958 finally came to realization with this BOB admonition.

** This is not to ignore the fact that on 28 August 1962 the Director of the BOB did express some dismay at the DCI's proposed 90 percent increase in the number of Agency supergrade positions. Ultimately the Agency was able to "convince" BOB officials that the increase was justified (see Chapter III).

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Stating that Agency management was upset by this turn of events would be putting it mildly. Perhaps it did recognize that the Agency had an Achilles' heel -- the BOB budget control -- and that a day of reckoning eventually had to come.

In any event the Executive Director administratively reacted immediately to the BOB letter on grade escalation with his own Action Memorandum, A-378 84/, in which he directed the DDS to stem the increase in position average grade and to instruct the Director of Personnel to take necessary action to reduce the headroom between position and incumbent grades throughout the Agency so that the Agency average position grade would be as low as (or lower than) the Agency average as of 30 June 1963. Such steps were to be taken immediately so that the Agency average position grade would be decreased and so reported by 30 June 1964.

Because this involved the review of Agency position classifications, the C/SWD became the action officer. Within a few short weeks each Directorate had undergone a classification review, and position classification grades were reduced in a "reasonable" fashion. The major concern of each, it appeared, was that it would have to give up more grades than any other Directorate. Classification negotiations took into consideration organizational and recruitment problems when

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appropriate. As a result the C/SWD was able to report to the Director of Personnel that the Agency average position grade had been reduced from 9.86 to 9.82 (the 1963 average was 9.83).

Although this Agency-wide classification review was a fait accompli, the reaction of the Chief of the Programming, Planning and Budget Staff was noteworthy.85/ Mr. John Clarke, the C/PPBS, advised the Director of Personnel that the C/SWD had misinterpreted the Executive Director's Action Memorandum A-378 and that the Agency-wide classification survey was wreaking havoc within the Agency. The Chief of PPBS felt that a component-by-component classification review was not necessary; his approach -- somewhat impractical with the various office chiefs -- would have been just to take the excess headroom wherever he (C/SWD) found it, just as long as the Agency average position grade was lowered.

In spite of this advice the Director of Personnel sent to the Executive Director a memorandum 86/ indicating that the Agency average position grade had been reduced in accordance with his instructions and that henceforth upward reclassifications would have to be compensated for. Reflective, perhaps, of top management philosophy were the DDS's comments on his transmittal that "this approach, if properly implemented, would ensure the Agency the properly controlled flexibility it needs."

(b)(3)

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Having put the Agency's administrative machinery in motion, the Executive Director responded to the BOB letter* in a forthright but somewhat defensive manner.87/ Fortunately the Career Service Average Grade Control System (see B, above) had been reasonably successful in holding the Agency average grade down. Increases approved by the Executive Director had limited the rise of the average grade to .2, or from 9.65 to 9.85 between 1959 and 1964.** Again the percentage of Agency positions at GS-13 and above had increased only moderately from 27.14 to 27.35 percent. In addition to these data the Executive Director presented his contention that the Agency had an effective control system, and he followed with his arguments against the implementation of the BOB controls in the Agency because they would severely restrict management's ability to respond to changing intelligence requirements and, finally, would create an undesirable vacuum between authority and responsibility. His conclusion followed the earlier BOB

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* The BOB letter also raised the question about the increase in GS-13 and above positions and summarized three possible BOB mandatory means available to control grade escalation, suggesting that the BOB would be interested in the Agency's reaction to each.

** The Government's average position grade had risen .8 -- but, of course, from a lower base grade.

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philosophy that the primary responsibility for the control of grade structure rested with the top management of the Agency.

In reality the battle to keep the BOB from exercising greater control over the Agency had begun. It was not much of a battle; the CIA was part of the "clean sweep" accomplished by the BOB's review of all the agencies in the Executive Branch. Management could, if it had wished, have forecast that its treatment would be similar to that levied on the rest of the government! Thus it should have been no surprise when on 25 August 1964 the BOB issued a revision to BOB Circular No. A-11,88/ which placed a ceiling on all Agency positions in grades GS-14 and above. The control was set at the number that had been actually filled in the Agency in fiscal year 1964.

BOB Circular No. A-11 also established the Administration's policy on personnel costs. Beginning with fiscal year 1966, allowances for personnel costs were to be based on the average salary estimated for fiscal year 1965 in the President's 1965 budget, as modified by the effects of statutory pay increases. Funds for within-grade salary advancements were to be allowed only on clear demonstration that such costs were not offset by turnover and other factors.

Things were getting tough within the Agency, and the

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Executive Director viewed the future as somewhat austere. In his Action Memorandum A-436 89/ he summed up these "changes in the ground rules" as reflective of the Presidential determination to stop escalation in the size and in the dollar costs of Government agencies. These measures had been taken against a backdrop of two recent pay raises for Federal employees and the abundantly clear policies of this Administration with respect to increased productivity and economy in Government operations. Each Agency was charged with keeping within the limits established and with taking immediate steps to assure that controls were developed to meet these objectives.

> The BOB contends that ... the Agency average salary over the past year has shown a sharp rise ... our promotion rate might be unduly high ... there has been too great a margin between position grade and the actual grade of the incumbent ... grade structure within organization components may be richer than actual responsibilities justify.

Recognizing that Agency management had to live within these controls, the Executive Director pointed out that the task involved the full scope of personnel management, from job creation and position grading through recruitment, pay, promotion, and separation.

As Mr. Kirkpatrick pointed out, however, "average salary"

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in itself can be a very fluid control device, responding to the mix of personnel at any given time and susceptible to artificial rigging. Although the Agency did go through the motions of establishing an average-salary cost-control system, the BOB was to find that, as the Executive Director had indicated, it was a very fluid control. Ultimately the BOB dropped the average-salary cost-control concept but retained the GS-14 and above position control. This control required the C/SWD (later the PMCD) to work very closely with OPPB in monitoring the average position grade profile of the Agency, which -- controls notwithstanding -- rose slowly to 10.039 by 31 December 1967.* In summation, the Agency had learned to live under controls although, from time to time, internal pressures forced some "giving" by the Chief of PMCD and the Executive Director.

D. Position Management as a Control

Even before the demise of the Management Staff (May 1961) and more so afterwards, SWD personnel found that their advice was sought on problems of organizational structure as it related to staffing patterns, division of work, and other

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* The zenith was reached on 31 December 1970 when the Agency average position grade reached 10.324.

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factors.* As a result little emphasis was placed by SWD on the assumption of these additional staff chores -- perhaps it could best be described as picking up residual responsibilities that no other unit would assume.

Because CIA is largely a "service" organization, many program changes occur only when an external catalyst (sometimes a customer agency) proposes either new or revised requirements. Within CIA the IG Survey results were often, in a sense, external catalysts too and invoked changes. This was what happened in 1964 when an IG team surveyed the Office of Personnel. In reporting on the Salary and Wage Division, the IG stated that the Division had Agency-wide position classification and wage administration program responsibilities. In discharging these the Division had the most day-to-day access to and information about workload, job requirements, job qualifications, and personnel practices and problems of other CIA offices. The report went on to indicate that the Division

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* There were many factors that contributed to this "arrangement." The Management Staff had only a small number of organization and methods examiners and was thus limited to infrequent and irregular contacts with operating officials, whereas the SWD had a larger staff that worked very closely with Agency activities. As a result the Management Staff looked at the "big organizational picture," and SWD handled organizational problems below the branch level.

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was the only Agency component that was in a position to review the performances of the Career Services in any systematic way. The IG recommendation was that SWD should be given a larger staff and a broader charter, which would include the responsibility for examining all aspects of personnel management of the Career Services and, in this fashion, discharge the review and evaluation function of the Director of Personnel.90/

This IG proposal had some merit and was certainly well-intended, but the implementation of it would have required not only additional staff but also more broadly trained personnel officers than the position classifiers. Thus, as a counter-proposal, the Chief of the SWD suggested 91/ that recent trends in Government made it necessary for the Agency to be seriously concerned with personnel ceiling, budgetary expenditures, optimum use of personnel, and realistic requirements in the form of up-to-date staffing complements. The C/SWD pointed out that the Division already had the responsibility for the establishment and maintenance of staffing complements and that these staffing complements established the Agency's position average grade and the Career Service Grade Authorizations that were the framework within which hiring, firing, career development, promotions, and personnel planning were accomplished. This framework had a considerable

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effect upon the Agency, as salary costs amounted to approxi-

(b)(3)

mately [redacted] of the Agency's budget.

In view of these administrative priorities the C/SWD recommended that the divisional program areas be continued in Agency-wide position classification and compensation responsibilities and be augmented by the formal assignment of the Agency position management staff responsibilities. A well-executed program would include:

consistent and equitable evaluation of Agency positions;

ability to respond to requests to review organizational grade structure and specific positions;

ability to maintain position descriptions and organizational changes on a current basis;

ability to conduct a program of periodic surveys both in Headquarters and the field to insure reasonably current and accurate staffing complements;

ability to assist offices in organization, job engineering, and grading problems;

ability to furnish top management with up-to-date information concerning status, trends, and specific compensation problems in the program; and

ability to maintain cognizance of salary and classification trends in industry and government.

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These functional responsibilities were assigned to the division; its T/O was increased [redacted] staff positions; and, to better reflect its increased functional responsibilities, its name was changed to the Position Management and Compensation Division. The DDS' approval was secured on 6 October 1965.92/ The assignment of the Agency position management staff responsibility to the Position Management and Compensation Division was a logical one. To a considerable extent the Division was already involved in position management -- in advising operating officials on organizational structure, elimination of excess positions, realignment of tasks among the remaining positions, and so forth. (b)(3)

Because position management is the continuous management of the quality and quantity of the work force, to be effective not only line supervisors* but also all levels of management must play an active role in it. This is excellent theory, but in actual practice in CIA there has been a reluctance on the part of management to acknowledge a strong interest in position management. This was understandable; the responsibility for the initiation of T/O changes has remained with

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* Position classifiers usually report that of all Agency groups field station personnel are possibly the most receptive to seeking and applying position management advice.

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the operating officials, and they long ago developed a reluctance to give up any positions that they already had on their T/O's -- especially for something less.

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VII. Retrospect

A strong central classification program is essential in an Agency such as CIA where the majority of the personnel management functions have been decentralized to the operating officials. The position classification program provides the Agency with a framework within which to do the necessary personnel work in the performance of its mission.

The Agency classification program has steadily improved from the early years; a vastly better understanding of Agency operations and of formal procedures for the administering, processing, and establishing of Staffing Complements and the necessary approvals has developed. This history can hardly conclude, however, without commenting on the inability of management to make the T/O an up-to-date and useful administrative document. This inability must be cited as a definite shortcoming. The T/O is the foundation upon which CIA bases all of its personnel actions, and it should be meaningful. Today operating officials and, even more unfortunately, personnel officers continue to regard the T/O as something to be used for any expediency, not as a viable current statement of what personnel requirements are and how well they are met.

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Position management is probably one of the most important tools of supervisors, but it must be used wisely and well.

In retrospect, the establishment of a flexible T/O in the Agency manpower control system of 1958 may well have worked against Agency management problems of the 1960's where more control and better position management were desirable. For example, flexible positions were established to permit quick response to changing workloads. Many supervisors have used this vehicle as a device to place personnel in positions that would enhance their promotion possibilities regardless of the level of duties performed. In addition many professional Agency positions have had their important functions splintered and dissipated so that routine clerical work makes up an inordinate amount of the duties of the positions.

At this time management is beset with anxiety over the real or imagined disenchantment of many employees, particularly young professionals. In its concern with communications, involvement, the generation gap, and so forth, management has largely ignored the fundamental concept of the right job for the right person. Properly structured professional positions, offering challenge and denuded of excessive trivia, would go a long way toward mending the generation gap and enhancing top management's image. Until management fully understands the

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need for respectable T/O's, the Agency personnel management program will continue to suffer.

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Appendix A

Chronology: CIA Position Classification Program, 1946-67

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Appendix A

Chronology: CIA Position Classification Program, 1946-67

1946-1949	CIG/CIA position classification program operated under the jurisdiction of the Civil Service Commission.
22 Jul 1947	National Security Act of 1947 signed; established CIA as the US central intelligence organization.
18 Sep 1947	Administrative transfers of CIG employees to CIA accomplished under NIA Directive No. 11; also directed Agency to report to NSC.
20 Jun 1949	CIA Act of 1949 (PL 110) signed; provided the DCI broad administrative authorities.
7 Jul 1949	NSC Directive No. 50 issued; directed CIA reorganization.
8 Aug 1949	CSC acknowledged that, with passage of PL 110, CIA had become "exempt" from CSC classification jurisdiction.
10 Aug 1949	DCI (Hillenkoetter) announced Agency policy to follow Classification Act, in principle.
Fall 1949	CIA position classification program inaugurated with review of Agency executive positions.
28 Oct 1949	Classification Act of 1949 signed; act specifically exempted CIA.
10 Nov 1949	Comptroller General's decision confirmed DCI's administrative authority over Agency position classification and pay activities.
7 Oct 1950	Lt. General Walter B. Smith, USA, sworn in as DCI; selected because of his administrative ability.
1 Dec 1950	General Order No. 38 issued; established and centralized responsibility for administrative support and clandestine operations under the newly created DDA and DDO (later DDP) positions.

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14 Feb 1951	Director of Personnel advised DDA that all Agency Personnel programs had been centralized.
1950-1952	NSC Directive No. 50 implemented by DCI and new Deputies (DDI position established 1 January 1952).
Sep 1952	Field position classification survey program began with German Mission survey of [redacted] positions. (b)(3)
Fall 1952	Position Classification standards program started.
Dec 1952	Classification approved T/O for OSO-OPC merger accomplished.
Jan 1953	DCI (Smith) makes policy decision to reduce number of Agency "vacant" position slots.
30 Nov 1953	IG's survey recommendations on OP included the need to develop a CIA tailored classification plan.
28 Jul 1954	DCI (Dulles) directed further reduction of T/O position ceiling.
9 Oct 1954 (b)(3)	[redacted]
25 Feb 1955	IG's memo on "Ten ways to improve CIA's personnel management."
7 Mar 1955	OP task force organized to develop new CIA personnel system.
28 Mar 55	Chief, Management Staff secured DDA's approval, in principle, for a "Man-in-Motion" manpower control system.
8 Apr 1956	Pilot installation of CIA manpower control system begun in Office of Communications.
2 May 1956	CIA factor comparison job evaluation plan for supergrade positions approved; executive position survey undertaken.

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29 Nov 1956	[redacted] Competitive Promotion, approved; authorized promotions above the grades of employees' positions under prescribed conditions. (b)(3)
May 1957	Standards Branch, PED, abolished; function and personnel transferred to operating branches.
23 May 1957	CIA Career Council unanimously approved implementation of CIA manpower control system.
13 Jun 1957	DDS formally approved Agency secretarial position classification plan.
27 Mar 1958	CIA compensation system proposal approved in principle by Career Council.
14 Nov 1958	Agency manpower control system formally implemented with issuance of regulation and handbook.
26 Feb 1959	CIA (Personnel) [redacted] established average grade controls for career services. (b)(3)
May 1961	CIA Management Staff abolished.
25 Aug 1962	DCI advised D/BOB of his approval of [redacted] executive positions (90 percent increase); D/BOB strongly recommended judicious activation and encumbering. (b)(3)
11 Oct 1962	Federal Salary Reform Act of 1962 signed; established higher salary levels for Federal executives more in consonance with US industrial executive pay practices.
14 Apr 1964	D/BOB alerts DCI to Federal wholesale grade escalation problem.
19 May 1964	Executive Director ordered the reduction of Agency average grade to that of 30 June 1963; directed that upgrading requests include compensating downgradings.
30 Jun 1964	SWD reduced Agency average grade slightly lower than 30 June 1963 level.

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25 Aug 1964	BOB Circular A-11 (Revised) issued; placed ceiling on Agency's positions in Grades GS-14 and above; ceiling not to exceed total number of such positions filled in FY 1964.
23 Jan 1965	Executive Director advised Agency management that the BOB would continue its controls over executive positions; would also monitor Agency requests for funds to insure that CIA was being managed efficiently and economically.
6 Oct 1965	DDS approved OP proposal to augment the Agency position classification program with staff responsibility over position management function; name changed to Position Management and Compensation Division.
5 Dec 1967	BOB and Agency officials agreed that Agency SG and SPS position requirements be incorporated into the five-year programming-budgeting process.

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Appendix B

PMCD/OP Foreign Field Survey Report

on Office of Communications Installations

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Appendix B

PMCD/OP Foreign Field Survey Report on OC Installations
March - April 1970

Background Information

In accordance with requests from the Office of Communications, [redacted] conducted position evaluation surveys of the following Agency installations during March and April, 1970: (b)(3) (b)(6)

[redacted] (b)(1) (b)(3)

The survey procedures utilized included a comprehensive briefing by the Chief and/or Senior Officer in charge of each facility on their overall program plus a tour of the facility and explanation on systems/equipment/procedural operations. This was followed by PMCD Team review of the various types of positions, duty assignments, grade patterns, identification of special work situations and job evaluations to determine the proper position titles, occupational codes, and grade levels. The PMCD Team also provided guidance on organizational structure, functional alignment, span of control, and standardization of organizational nomenclature.

Upon conclusion of each survey, a meeting was held with the Chief and/or Senior Officer to discuss our findings, recommendations, and resolve questions concerning duty assignments, job patterns, grade levels, organization and functions.

In all instances, the Chief and/or Senior Officers were advised that the survey recommendations were tentative with particular reference to any increases in upper grade levels and average grade. No proposals or components surveyed include requests for additional ceiling at this time.

The survey covered approximately [redacted] positions. (b)(3)

The PMCD Team wishes to express its appreciation to all personnel at each facility surveyed for their assistance, cooperation and general support.

Narrative summaries of each installation surveyed and staffing complement (S/C) proposals where major changes occurred are attached:

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SECRET

[redacted] Survey Report (b)(1) (b)(3)

has been removed in view of

Security policy restrictions

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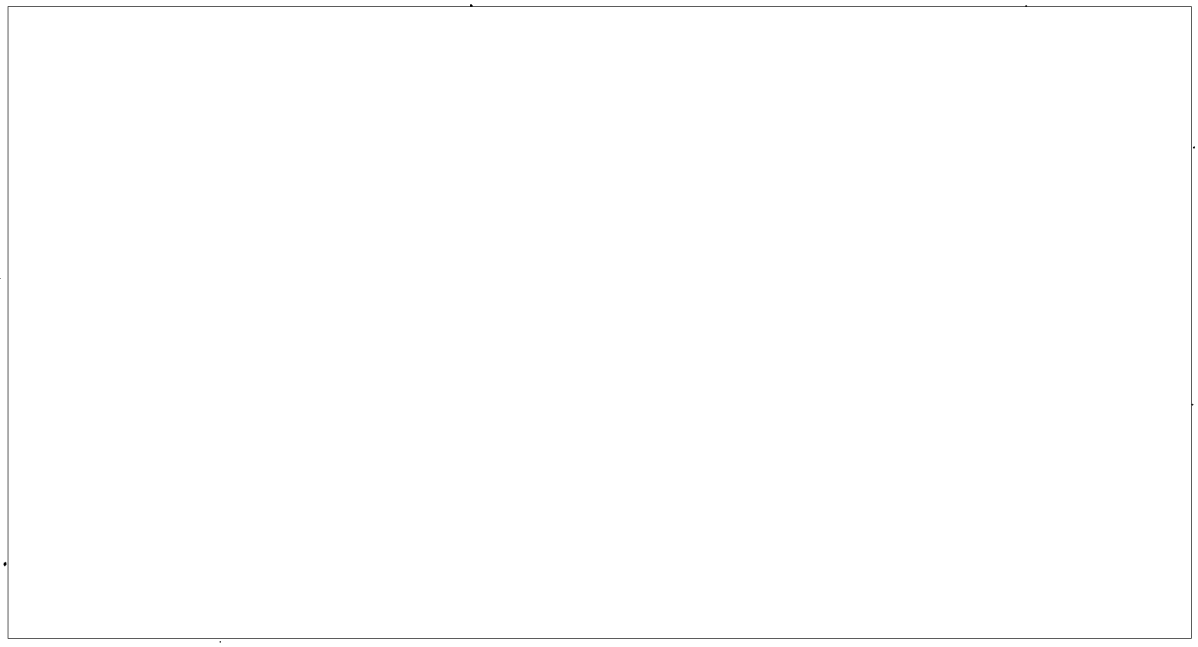

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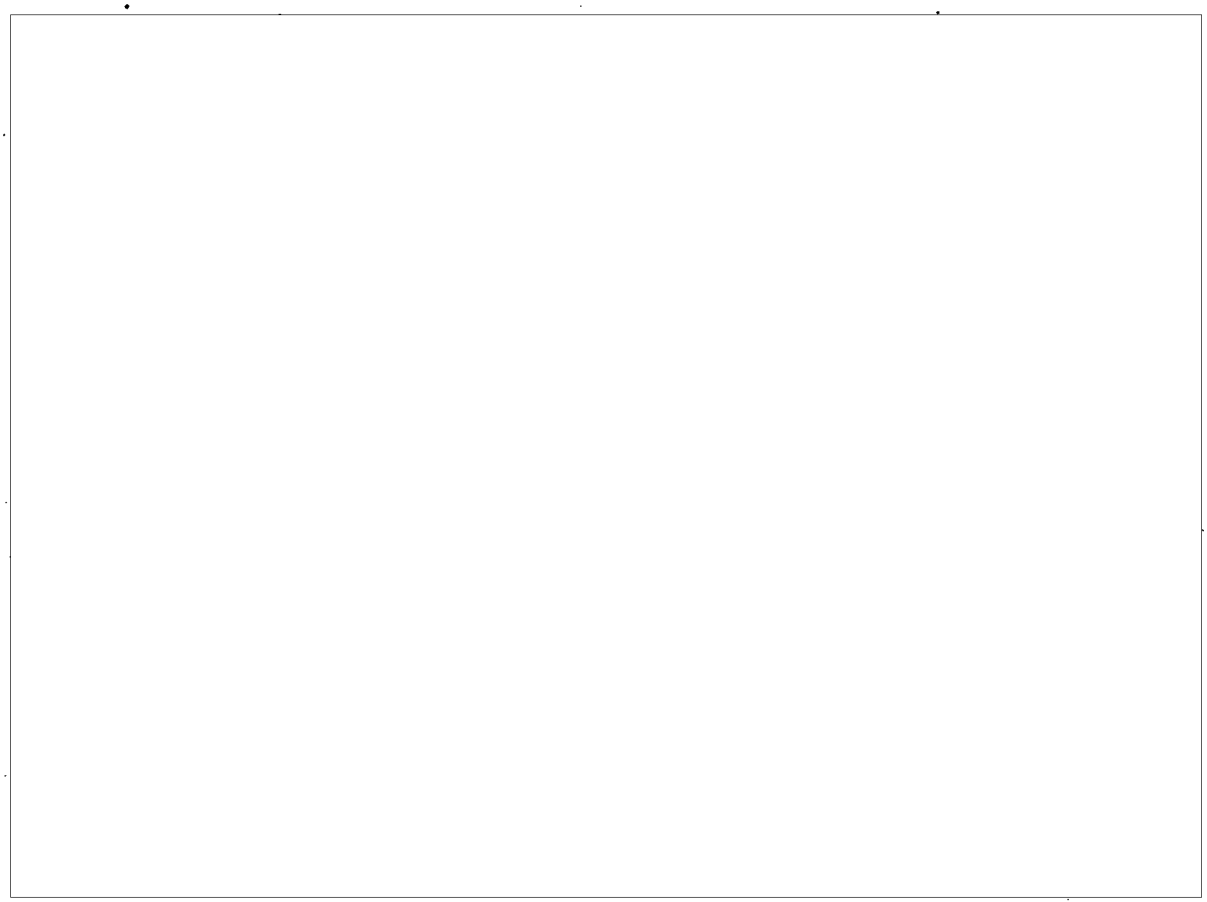

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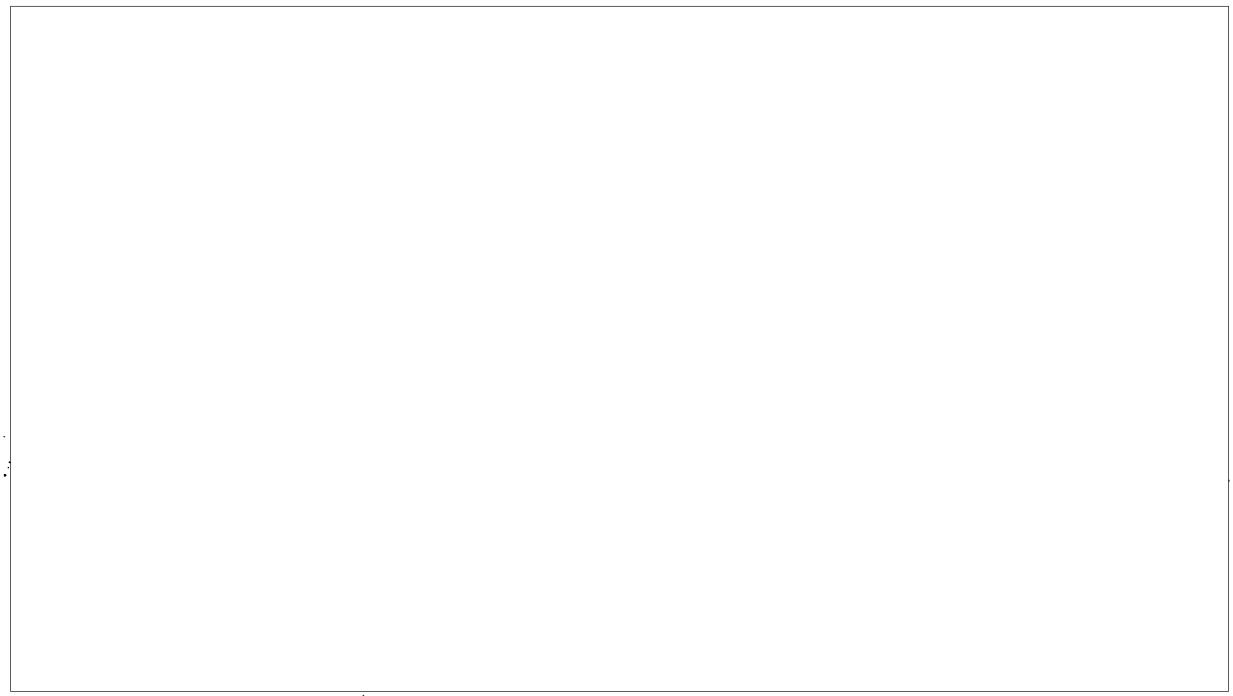

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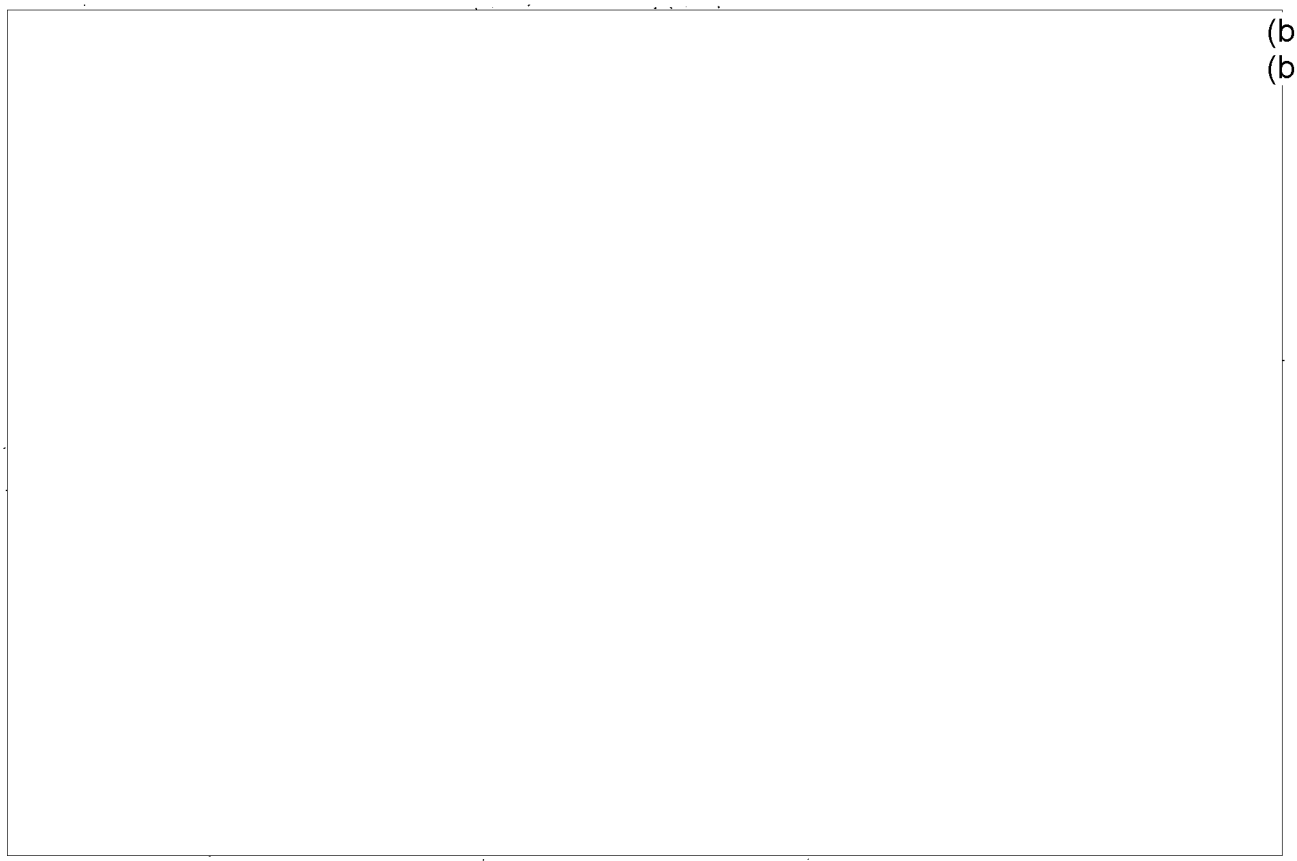

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Appendix C

2 May 1956 Memorandum for Chairman, Supergrade Review Board, from D/Pers, transmitting (Proposed) Supergrade Job Evaluation System.

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Appendix C

MAY 2 1956

MEMORANDUM FOR: Chairman, Supergrade Review Board

SUBJECT : Supergrade Job Evaluation System

1. PROBLEM:

To establish a systematic method of job analysis for Agency Supergrade positions.

2. ASSUMPTIONS:

A uniform system of assigning grade levels to the Agency Supergrade positions and for determining which positions warrant supergrade status will be of benefit to the Supergrade Board in discharging its responsibilities.

3. FACTS:

a. Agency Supergrade determinations in the past have been based to a great degree on organizational status of positions and upon the caliber of the individual occupying or scheduled to occupy each position.

b. Executive job evaluation systems in use by other Federal Agencies and by private industry provide a satisfactory method for objective appraisal of executive jobs. These systems are generally administered by a top management Committee comparable to the CIA Supergrade Review Board, with the organizational Personnel Director or Salary Administrator serving as advisor to the Committee.

4. DISCUSSION:

a. Two recognized methods of executive job evaluation are the Ranking Method and the Factor Comparison Method.

b. The former method consists of the ranking of all positions nominated by management to be of executive level in the order of importance, difficulty, and responsibility, and establishing rates of compensation consistent with the rank order of the positions.

c. The Factor Comparison Method (as described in detail in Tab A) provides for an evaluation of the various factors in executive jobs which affect their compensation. This is accomplished by comparing the jobs, factor by factor, with "bench mark" jobs and assigning point values to each factor in reference to points predetermined for the standard or "bench mark" jobs. Finally, the total points for each job are converted to the grade level. Since the "bench mark" positions are selected as being properly compensated, representative of the various types of executive jobs, and known to committee members, this system provides an easily understood and accurate method of executive job evaluation.

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d. The Ranking Method is generally conceded to be the simplest and provides good results when positions are basically similar in occupational characteristics. The Factor Comparison Method provides more satisfactory results when the jobs are diverse and in different occupational fields.

5. CONCLUSIONS:

a. The Agency Supergrade Review Board should consider the use of a formal system of Supergrade job evaluation.

b. In view of the great variety of types of Supergrade jobs in the Agency, the Factor Comparison System (Attachment A) should provide the best results.

6. RECOMMENDATIONS:

The Supergrade Review Board adopt the Factor Comparison System for determining Supergrade positions and evaluating the positions to the proper grade levels.

Harrison G. Reynolds
Director of Personnel

Attachment:
Factor Comparison System

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PROPOSED FACTOR COMPARISON JOB EVALUATION PLAN FOR SUPERGRADE POSITIONS

I. Introduction:

A. Definition: A system of appraising for compensation purposes key Agency positions by comparing the individual job characteristics (evaluation factors) of each position with the characteristics of standard or benchmark positions of predetermined compensation level. Judgment as to the degree or level of each factor in the job being rated is expressed in numerical terms by comparison with similar bench mark positions, and the sum total of factor ratings for each job is converted to the final grade level through a conversion scale.

B. Purpose: To provide an orderly formal system of evaluating key positions which will permit maximum use of the knowledge and judgment of Board Members concerning the positions in a minimum amount of time.

II. Procedures for Installation and Use of the Plan:

Step 1 - Selection of Benchmark Positions

Utilizing the Supergrade Ranking lists submitted by Deputy Directors, benchmark jobs have been tentatively selected to provide the framework for the evaluation of all Supergrade positions as well as to distinguish between GS-15 and GS-16 positions. Criteria followed in the selection were:

a. Understanding and agreement of the functions and grade levels of the positions.

b. Positions are representative of field, departmental, line and staff positions and include jobs in all directorates.

c. Positions at GS-15 and at all supergrade levels will be included.

Positions tentatively selected for inclusion as benchmarks are listed in Attachment 1. If the plan is approved, additional positions will be included as benchmarks to provide more comprehensive coverage.

Step 2 - Selection of Factors and Determination of their relative Weight

Based on an analysis of factors in common use for the evaluation of executive positions, and applying the criteria that factors should be common to all positions, significant in determining compensation levels, and few enough to avoid complications in job evaluation, the following were tentatively selected.

	Factor	Description	Normal Range
(1)	Skill	Knowledge, Training, Experience, and Abilities	100-200
(2)	Responsibility	Program, Policies, Administration, and Methods	200-300
(3)	Decisions	Commitment of action and/or expenditures	200-300
(4)	Contacts	Purpose, Level, and Significance	100-200

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Consistent with general practices in executive job evaluation systems, flexible point ranges for each factor were established as an index of its relative significance. In some individual jobs, it is expected that factor ratings may exceed or be less than the normal range.

Step 3 - Establishment of Factors, Point Values for Bench Mark Jobs

Point values were tentatively assigned for each of the factors in the bench mark jobs. (See Attachment 1) Available job information covering each position was used as a basis for the determinations. This information is listed on factor rating sheets (see samples in Attachment 2). The Supergrade Board should review and approve the factor ratings and the rating sheets for proposed Bench Mark jobs.

Step 4 - Evaluation of Existing and Currently Proposed Supergrade Positions

a. Office of Personnel will prepare Factor Rating Sheets for each position to be evaluated, and will indicate each recommended factor rating, total points and grade level. This will be accomplished by utilizing Bench Mark jobs and their factor rating sheets.

b. The Supergrade Review Board will review the recommendations of Office of Personnel and make adjustments considered necessary. Final factor point totals will be determined for each position.

Step 5 - Establishment of Conversion Scale for Grade Level Determination

As demonstrated in Attachment 1, the tentative evaluation of Bench Mark jobs indicates that the following ranges may be appropriate for conversion of factor points to grade level.

GS-16	600-699
GS-17	700-824
GS-18	825-up

The final conversion scale should be established at such time as all current and pending Supergrade positions are evaluated under this system. In this way, the desired proportion of GS-18, 17's, and 16's can be obtained by the numerical value of cut-off points established.

Step 6 - Evaluation of Supergrade Positions Proposed in the future

Future supergrade proposals will be processed as outlined in Step 4. However, in addition to factor ratings for Bench Mark positions, the Office of Personnel and the Review Board will have available the approved factor ratings for all positions previously approved.

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I. Evaluation of Tentative Bench Mark Positions

Position	Grade	Factors				Total
		Skill	Resp.	Decisions	Contacts	
						(b)(3) (b)(1)

Tentative Conversion Table

600-699	GS-16
700-824	GS-17
825-up	GS-18

Factor Definitions

SKILL

This factor deals with the specific knowledges, experience and abilities required by the job in the subject matter or operational fields with which it is concerned. Elements to be considered are the degree or comprehensiveness necessary, the breadth within a specific field, or the number of separate fields encompassed. Abilities are personified by qualifying experience necessary to perform the duties.

RESPONSIBILITY

This factor deals with assigned delegation for overall programs, participation in policy formulation, administrative responsibility for men, money and materiel; and the establishment and creation of methods, doctrines and records. Elements to be considered are supervisory controls exercised over and by the position, scope and quality of the program, and consequence of error or achievement, etc.

DECISION

This factor concerns the authority to make decisions on various levels and the impact of these judgments. Elements to be considered are the frequency and level of decision, and its effect on the nation, the Agency, an overall program, or a

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cific operation. Also to be considered is the degree of acceptance afforded recommended courses of action, and the amount of technical review given these recommendations. The availability of counsel on crash type actions is an important element.

CONTACTS

This factor is concerned with the personal contacts required by the position. Elements to be considered are level of contacts, frequency, importance, variety, commitment authority, precedents afforded and impact of commitments made.

S-E-C-R-E-T

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Appendix D

Historical Statement

Management of Specially Qualified CIA Scientific Personnel

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Appendix D

HISTORICAL STATEMENT
MANAGEMENT OF SPECIALLY QUALIFIED CIA SCIENTIFIC PERSONNEL*

1. Policy Objective Accomplished:

On 13 April 1963 CIA established a personnel management and pay administration system for personnel assigned to selected scientific positions involving (a) the planning, organizing, directing, and coordinating of major scientific programs, or (b) the planning and execution of productive research or consultation of a very high order in a specialized branch of a scientific field -- mathematics, electronics, chemistry, engineering, or physics.

2. Federal Personnel Management Background:

A. In August 1947, the Congress first authorized the establishment of a scientific pay system for some of the major executive departments of the Government. Since that time, many other agencies have established special pay plans for scientific personnel, either under special authorization by Congress or under administrative authority. The pay range for such positions under the Federal Salary Reform Act of 1962 was established generally at not less than the minimum rate of GS-16 nor more than the highest rate of GS-18 (currently $16,000 to $20,000). The National Aeronautics and Space Administration, however, was authorized to pay up to $21,000 for thirty positions. Agencies having such systems, and the number of positions covered were as follows:

Department of Agriculture	25
Atomic Energy Commission	77
Department of Commerce	30
Department of the Army	107
Department of the Air Force	121
Department of the Navy	131
Federal Aviation Agency	20
Department of Health, Education and Welfare	163
Department of Interior	8
National Aeronautics and Space Administration	430
National Science Foundation	86

B. The Atomic Energy Commission, the National Aeronautics and Space Administration, and the National Science Foundation established

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* This system should not be confused with CSC authority to establish higher minimum rates of basic compensation in those locations where the salary rates in private enterprise are so substantially above the salary rates of statutory pay schedules as to handicap significantly the Government's recruitment or retention of well qualified persons.

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positions and approved the qualifications of individuals for appointment to them under administrative authority. The other agencies established positions administratively but were subject to control by the Civil Service Commission over qualifications determination. All of the agencies followed a system somewhat comparable to the CIA system for determining pay rates and for determining qualifications.

3. CIA Administrative Considerations:

A. With the growing sophistication in the scientific and technological disciplines throughout the major capitals of the world, the U.S. intelligence community had, by 1963, greatly increased its scientific intelligence collection requirements along with foreign intelligence collection requirements that emphasized the need for scientific collection means.

B. CIA intelligence collection programs had been stepped up in response to consumer demands and the Directorate for Research had been established in order to organizationally focus better on these requirements.

C. CIA was beginning to find that it was not in a competitive enough position in a highly competitive employment field. (Salary commitments had to be tied to the GS salaries in the Classification Act pay plan and thus artificial pay limits were set. Other agencies could have a GS-15 job to be done but could pay the top of GS-18 for a well-qualified applicant.)

D. The Federal Salary Reform Act of 1962 increased the scientific pay range to $16,000 - $20,000 per year. This legislation accentuated the CIA recruitment and retention problem for scientific personnel.

4. Basis for CIA Administrative Action:

In order to meet its customer requirements, the Agency was placing more and more emphasis on scientific means of intelligence collection and on developing sources of scientific intelligence. Management recognized that the Agency should have a scientific pay plan at least equal to those used in other Federal agencies if it were to succeed in attracting and retaining the most highly qualified candidates for Agency scientific programs.

5. SPS Administrative Controls:

A. Federal legislation established the salary range; CIA administratively established nine pay levels at $500.00 increments. These pay levels were not geared to the job to be done but rather to what

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salary the applicant (or employee) could and did command in private enterprise.

B. Initially, [ ] SPS positions were approved in CIA. However, administrative controls in the form of position ceilings and total pay available for such positions were established for each component. For example, a component would be authorized a ceiling of [ ] employees and [ ] for SPS salaries. Depending upon outstanding requirements and availability of well-qualified candidates, the component could employ [ ] individuals [ ] individuals [ ] each, or any other combination which would not exceed the personnel ceiling or total salary authorization. Interesting to note, that CIA went into the 1970's with a lower SPS ceiling [ ] than in 1963. (b)(3) (b)(3) (b)(3) (b)(3) (b)(3) (b)(3)

C. The Director of Personnel was charged with determining that all SPS position proposals were consistent with Agency missions and required special scientific qualifications; evaluating candidates' qualifications and determining appropriate pay rates; insuring that SPS ceilings and aggregate pay authorization were not exceeded.

D. To assist the Director of Personnel in discharging his responsibilities, the Scientific and Technical Personnel Advisory Committee was established.

E. The DCI retained the authority for establishing the Agency and components' SPS position ceilings within the overall Agency ceiling; approving personnel actions for SPS personnel including appointments, reassignments, promotions, pay schedules and individual salary rates.

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Appendix E

Report on Supergrade Positions and Personnel

(1951-69)

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SUPERGRADE POSITIONS AND PERSONNEL

1951 - 1969

	26 Dec 1951		29 Oct 1952		10 Nov 1953		15 Nov 1954		7 Jan 1955	
	Pos	Pers	Pos	Pers	Pos	Pers	Pos	Pers	Pos	Pers
DCI										
Training										
Communications										
Personnel										
DDA (renamed DDS in 1955)										
DDI										
DDP										
Totals										

(b)(3)

* No record of Personnel.

** In February 1955, OP, OC, and OTR were transferred to the Support Directorate.

Above figures include PL positions and personnel.

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	17 Nov 1957*		15 Dec 1958		23 Nov 1959		19 Dec 1960		1 Dec 1961	
	Pos	Pers	Pos	Pers	Pos	Pers	Pos	Pers	Pos	Pers
DCI										
DDS										
DDI										
DDP										
DDC										
Totals										

(b)(3)

* 1956 statistical data in summary form not available (1971).

Above figures include PL positions and personnel.

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	13 Jul 1962*		25 Oct 1963*		22 Oct 1964**		24 Nov 1965***		10 Nov 1966***	
	Pos	Pers	Pos	Pers	Pos	Pers	Pos	Pers	Pos	Pers
DCI										
DDS										
DDI										
DDP										
DDR (renamed DDS&T in 196										
DDS&T										
Totals										

(b)(3)

* Includes PL positions and personnel.

** Includes PL and EP positions and personnel.

*** Includes EP positions and personnel.

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	9 Oct 1967*		21 Nov 1968*		1 Jul 1969**			
	Pos	Pers	Pos	Pers	Pos	SPS	Pers	SPS
DCI								
DDS								
DDI								
DDP								
DDS&T								
Totals								

(b)(3)

* Includes SPS positions and personnel and excludes EP positions and personnel.

** BOB approved SPS ceiling of [redacted] SG ceiling. SPS positions and personnel shown ( ).

(b)(3)

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Appendix F

[redacted] (14 November 1958) (b)(3)

Ceiling and Position Authorization

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(b)(3)

(b)(3)

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CEILING AND POSITION AUTHORIZATION

Rescissions: (1) [redacted] 1956 dated 15 May 1956 and Change 1 dated 14 December 1956 (b)(3)

(2) Paragraph 3b of [redacted] dated 29 November 1956 (b)(3)

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1. GENERAL

a. This regulation prescribes a revised system for Agency manpower authorization and control. The principal characteristics of the system are:

(1) Differentiation between manpower assigned to carry the day-to-day operating workload and manpower not so assigned.

(2) The identification of personnel requirements according to the Career Service which will be responsible for filling the requirements.

(3) Establishment of personnel ceiling according to Career Service rather than component. Personnel ceilings are established to limit the number of persons who may be assigned to each Career Service and will be administered by the Heads of Career Services.

(4) Flexibility in position structure (types, levels, organizational location of positions) to enable responsible supervisors to shift personnel to meet changed workload requirements.

(5) Systematic planning by the Head of the Career Service of the size and composition of his Career Service in consideration of staffing requirements to be met and the long-range development of his personnel.

b. Wage-administration-type positions, while included in ceiling, will be governed by procedures developed by the Office of Personnel in conjunction with the Operating Office concerned.

2. DEFINITIONS

a. The "planning paper" is a document prepared at yearly intervals by Operating Officials to calculate staff personnel requirements for staffing complements for the coming fiscal year.

b. The "staffing complement" is the list of positions of various types, levels, and Career Service designations required to meet the workload of a component. These positions are categorized as follows:

(1) "Limited positions" are positions that may be occupied by no more than a specified number of individuals at one time.

(2) "Flexible positions" are positions that may be occupied by an unlimited number of individuals at one time.

c. The "development complement" is a portion of the ceiling retained by the Head of the Career Service for the interim assignment of members of his service who are in training or otherwise are awaiting assignment to positions.

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d. The "staff ceiling" of the Agency or any Career Service thereof is the maximum authorized number of personnel, consisting of staff employees, staff agents, military personnel detailed from other Government agencies, and Agency civilian personnel detailed to other agencies or in external training status. Contract employees who perform staff-type duties within the United States are included within the staff ceiling except as set forth below:

(1) When the task for which they are engaged represents short-term, non-recurrent activities such as building, rehabilitation construction, ground landscaping, and related work programs;

(2) When they are hired to perform duties on an infrequent basis (when actually employed, or on an unscheduled basis); or

(3) When they are to be utilized within an approved project.

e. "Career Service staffing authorization" is the ceiling for General Schedule personnel for each Career Service authorized at each General Schedule grade level for a fiscal year.

3. POLICY

a. The Director of Central Intelligence will assign staff ceilings to each Deputy Director. Each Deputy Director will assign staff ceilings to the Heads of his Career Services, and designate the maximum number of their personnel that may be employed at headquarters within the staff ceilings. This policy is effective at the close of business 31 December 1958.

b. Personnel on leave without pay for periods of more than 30 days need not be counted against the ceiling of the appropriate Career Service until return to duty.

c. The total number of personnel assigned to staffing complements and development complements shall not exceed the total ceiling allocations, provided that this shall not preclude the obligatory return or restoration to duty of personnel from active military duty or from leave without pay. In case the total ceiling and/or the maximum headquarters ceiling is exceeded, the strength will be reduced to the ceiling level at the earliest practicable date.

d. To meet the personnel requirements of Operating Officials as expressed in the planning papers, Heads of the Career Services will provide the personnel necessary to meet these requirements but will continue to count such personnel against their own Career Service ceiling.

e. Each Deputy Director may delegate to Operating Officials under his jurisdiction the authority to redistribute personnel within the staffing complement by assignment to multiple occupancy of flexible positions to meet the requirements of shifts in workload, provided there is:

(1) No change in the approved functions delegated to the Operating Officials.

(2) No change in the level and type of work performed by the incumbents of each position from that prescribed, it being understood that positions designated to be filled by a given Career Service will not normally be occupied by members of other Services.

f. The number of personnel at each grade level assigned to a Career Service shall not exceed on a cumulative basis (a particular grade level and higher grade levels) the Career Service staffing authorization for that Service.

4. ADMINISTRATION

a. Each staffing complement position will be identified by title, grade, occupational code, and service designation of the Career Service which normally will provide the individual to fill it. This identification will be made by the responsible Deputy Director or delegated Operating Official with concurrence from the Head of the Career Service to which the position is designated.

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b. Individuals assigned to a development complement will be charged to an allotment account of the component under the control of the Head of their Career Service.

c. Each Career Service staffing authorization will be established in consideration of the following factors: Current grades of employees, approved positions, ceiling, normal attrition and planned involuntary separations, planned promotions, and the Agency's future program requirements and budget prospects.

d. The Management Staff and the Office of Personnel will, on request of or with the concurrence of Operating Officials, examine the use of manpower and grade structure respectively and make recommendations thereon.

e. Handbook No. [redacted] provides detailed procedures for implementation of the system. (b)(3)

5. AUTHORITIES AND RESPONSIBILITIES

a. Deputy Directors are responsible for controlling the size and composition of components under their direction and for assigning ceilings to the Heads of Career Services under their jurisdiction.

b. Operating Officials are responsible for drafting planning papers, in accordance with the advice and instructions of their Deputy Directors.

c. Heads of Career Services are responsible for:

(1) Planning the composition of the membership of their Career Service by grade levels and occupational skills in consideration of program requirements and ceiling authorization.

(2) Developing an annual Career Service staffing authorization.

(3) Administration of their own development complements including the prompt assignment of personnel to and from the development complement in accordance with staffing requirements of the Career Service.

d. The Deputy Director (Support) is responsible for the review and final approval of planning papers and Career Service staffing authorizations, for approval of changes to staffing complements, and for periodic review of the use of both staffing and development complements.

e. The Director of Central Intelligence may authorize the Deputy Director (Plans) to finally approve particular field or project positions when such positions are too sensitive to be handled in accordance with the provisions of this regulation.

f. Establishment or changes to supergrade positions will normally be made by the Supergrade Review Board, subject to review by the Director of Central Intelligence.

g. Within their functional responsibilities as set forth in Regulation No. [redacted] the Chief, Management Staff, the Director of Personnel, and the Comptroller will provide staff assistance to Deputy Directors, Heads of Career Services, and Operating Officials in the administration of the Agency manpower system outlined herein. (b)(3)

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

L. K. WHITE
Deputy Director
(Support)

DISTRIBUTION: AB

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Appendix G

CIA Handbook [redacted] (14 November 1958) (b)(3)

Procedures for Ceiling and Position Authorization

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Appendix G

HANDBOOK [redacted] (b)(3)

PERSONNEL

14 November 1958

PROCEDURES FOR

CEILING AND POSITION AUTHORIZATION

FOREWORD

This handbook is for the guidance of those concerned with the development and administration of the Agency's manpower control system of staffing and development complements and annual Career Service staffing authorizations.

Basic policy of the manpower and organization system is set forth in Regulation [redacted] Ceiling and Position Authorization. (b)(3)

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

L. K. WHITE
Deputy Director
(Support)

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PROCEDURES FOR

CEILING AND POSITION AUTHORIZATION

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PERSONNEL
14 November 1958

HANDBOOK
NO. [redacted] (b)(3)

PROCEDURES FOR CEILING AND POSITION AUTHORIZATION

1. GENERAL

a. This handbook outlines a new Agency manpower system, based on the number of personnel required on duty for the satisfactory performance of the actual workload. It also recognizes that estimated personnel requirements are purely planning guides and not authorizations or control mechanisms.

b. This handbook applies primarily to General Schedule positions and employees. The Office of Personnel will assist each office concerned with specific procedures dealing with wage administration-type positions.

2. PREPARATION OF THE PLANNING PAPER

a. Purpose

The planning paper is an estimate of staff personnel requirements of each component for the coming fiscal year. Personnel staffing estimates should be based on the least number of people necessary to fulfill work requirements at the most economical overall salary level consistent with good management.

b. Timing

Planning papers will normally be prepared on a fiscal year basis as directed by the appropriate Deputy Director. They will be scheduled so as to provide information used in the completion of the Career Service staffing authorization and the Agency budget. Stable components requiring no change need only submit a written statement to that effect. Minor amendments may be processed in lieu of a complete planning paper.

c. Format

The planning paper will reflect the structure of a component and the number and distribution by occupational title, grade, and service designations of positions estimated to be required during the coming year to meet the workload. The following example illustrates the format of a planning paper:

EXAMPLE

PLANNING PAPER
STAFFING COMPLEMENT "X" AREA DIVISION

No. Positions Required	Title	Grade	Service Designation
	Office of the Chief		
[redacted]	Div. Chief	GS-18	D
	Dep. Div. Chief	GS-17	D
	Exec. Off.	GS-15	D
	Secretary	GS-09	DS

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No. Positions Required	Title	Grade	Service Designation
	Branch I		
	Branch Chief	GS-15	D
	Dep. Branch Chief	GS-14	D
	Secretary	GS-07	DS
	Secretary	GS-06	DS
	Area Section "A"		
	Section Chief	GS-13	D
	Intel Officers	GS-12	D
	Intel Officers	GS-11	D
	Intel Officers	GS-09	D
	Clerk Stenographers	GS-05	DS
	Clerk Typists	GS-05	DS
	Area Section "B"		
	Section Chief	GS-13	D
	Intel Officers	GS-12	D
	Intel Officers	GS-11	D
	Intel Officers	GS-09	D
	Clerk Stenographers	GS-05	DS
	Clerk Typists	GS-05	DS
	Area Section "C"		
	Section Chief	GS-13	D
	Intel Officers	GS-12	D
	Intel Officers	GS-11	D
	Intel Officers	GS-09	D
	Clerk Stenographers	GS-05	DS
	Clerk Typists	GS-05	DS
	Field Section		
	Station Chief	GS-15	D
	IO (FI)	GS-14	D
	Ops. Off. (PP)	GS-14	D
	IO (FO)	GS-13	D
	Ops. Off. (PP)	GS-13	D
	Finance Off.	GS-12	SF
	IO (FI)	GS-12	D
	Ops. Off (PP)	GS-12	D
	IO (CI)	GS-12	D
	IO (FI)	GS-11	D

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No. Positions Required	Field Section	Grade	Service Designation	
[redacted]	Ops. Off. (PP)	GS-11	D	(b)(3)
	Supply Asst.	GS-09	SL	
	Secretary	GS-07	DS	
	Clerk Steno	GS-06	DS	
	Clerk Typist	GS-05	DS	

TOTAL: [redacted] Positions (b)(3)

NB: Position categories above are indicated as follows:

"()" Limited Positions: The number in parentheses indicates the maximum number of persons who may occupy such positions at any one time, except for authorized overlap for job orientation purposes.

"*" Flexible Positions: Positions indicated by an asterisk are proposed for multiple occupancy as needs dictate, with the number planned indicated.

3. CAREER SERVICE CEILING

a. Ceiling by Career Service simply means that Agency ceiling is allocated to Career Services rather than organizational components. Each Career Service is responsible for supplying the personnel within its allocated ceiling to perform the functions of the positions designated to that Career Service.

b. Ceiling distribution is expected to fluctuate between the staffing and development complements. The Head of a Career Service assigns overall strength in accordance with work needs, training requirements, assignment problems, etc.

c. Each Deputy Director will:

(1) Control the size and composition of components under his jurisdiction,

(2) Assign staff ceilings to the Heads of his Career Services, and

(3) Designate the maximum number of their personnel who may be employed at headquarters within the staff ceiling.

The continued presence of personnel in excess of headquarters ceiling may be due to the inability to integrate or provide cover for overseas

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personnel, or may be an indication that requirements have lessened and personnel cutbacks are in order.

d. An illustration of the distribution of a Support Career Service ceiling is as follows: (b)(3)

Career Service Ceiling [redacted]

Parent Office Staffing Complement
Parent Career Service Development Complement
DD/P Component Staffing Complement
DD/I Component Staffing Complement
DD/S Component Staffing Complement

4. DETERMINATION OF DEVELOPMENT COMPLEMENT SPACES

The following is the normal procedure to determine the ceiling allocated to a Career Service development complement. The Office of Personnel will assist Heads of Career Services in the determination of the ceiling that should be allocated to the development complement. After the ceiling has been determined the Office of Personnel will supply a grade distribution allowance for the development complement. The method of computing grade distribution is illustrated in appendix 1.

a. Ascertain the number of Career Service designees currently in development complement status. (See paragraph 8a.)

b. Estimate training needs, rotation and assignment problems. Take into consideration ceiling limitations and number of staffing positions requested on planning papers.

c. As the result of analysis of the matters in subparagraphs a and b above and relying upon past experience, designate planned number of spaces for the development complement. (However, no administrative restriction other than conformance to overall ceiling limitations and proper assignment need be maintained in the use of the staffing and development complements.)

5. CAREER SERVICE STAFFING AUTHORIZATION

a. Purpose

The Career Service staffing authorization is designed to encourage definitive personnel planning by the Head of each Career Service in order to:

(1) Provide prudent salary administration on an overall planned basis rather than by a long series of unrelated decisions.

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(2) Take inventory each year of personnel assets.

(3) Shape the level and size of the Career Service in accordance with present and future personnel requirements.

(4) Provide for the review of the composition of the Career Service according to abilities, talents, age, and experience necessary to fulfill varying work requirements and for the adjustments necessary to achieve proper balance.

(5) Sharpen the competitive promotion system by planning the number of promotions at each level for an entire year. With a definite limitation, the effect of each promotion made is of greater importance to the entire Career Service. Therefore, each such decision must be carefully made.

b. Preparation

(1) The Career Service staffing authorization will be developed each year by the Head of each Career Service with the assistance of the Office of Personnel.

(2) It will be prepared as soon as possible after the annual planning papers have been approved.

(3) The Office of Personnel will provide the following information to the Head of each Career Service.

(a) Number of positions and organizational location by grade included in approved planning papers.

(b) Number of designees to the Career Service by grade.

(c) Grade distribution of development complement spaces.

(d) Average attrition rates, by grade.

(e) Average promotion rates, by grade.

c. Amendment

The Career Service staffing authorization will normally not be amended for the planned year. However, in cases of major reorganizations and significant changes in functions, grades, and ceiling, proposed amendments may be submitted through prescribed channels.

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d. Computation

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[redacted]

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Line 17. Submit to the Head of the Career Service the foregoing compilation so that he, on the basis of these figures, can plan rate of promotions for the coming year. Statistical guidelines will be provided by the Chief, Salary and Wage Division. Enter agreed figures in this line at each grade level.

Line 18A. Determine the annual Career Service staffing authorization by adding the planned promotions to the adjusted civilian career staff by grade. Line 15A plus line 17, less that figure at the next higher grade level in line 17.

Line 18B. Show cumulative figures at each grade level by adding the respective figure at each grade level to the total of all figures reflected at higher grade levels. Totals may not exceed those given in line 9B.

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WORK TABLE FOR USE IN PLANNING
CAREER SERVICE STAFFING AUTHORIZATIONS

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6. PROCESSING PLANNING PAPERS, CAREER SERVICE STAFFING AUTHORIZATIONS, AND INTERIM CHANGES

a. Planning paper requests for staffing complements should be prepared with the participation of the Management Staff, the Office of Personnel, and the Comptroller to insure prompt processing and approval. In the absence of this participation, all requests shall be supported by such statements of justification as workload data, organizational charts, statement of functions, and position information, necessary for review and action on the proposals, and a certification as to the availability of funds to finance the proposal.

b. Planning papers shall be submitted by the Deputy Director or delegated Operating Official concerned, to the Chief, Management Staff, in quadruplicate. The Chief, Management Staff shall examine and coordinate such planning papers with the Director of Personnel, the Comptroller and other Agency components concerned. Comments received shall be reviewed by the Chief, Management Staff and forwarded with final consolidated recommendations to the Deputy Director (Support) for approval or other action.

c. Planning papers approved by the Deputy Director (Support) shall be forwarded to the Director of Personnel for dissemination. Notification of approvals shall be made on Form No. 261, T/O Change Authorization, or tabulating machine listings.

d. If changes are required on the staffing complement authorization, the request should be submitted to the Chief, Management Staff unless such changes have to do with position reclassification, in which case request for change should be submitted to Chief, Salary and Wage Division, Office of Personnel.

e. The annual Career Service staffing authorization developed by the Head of a Career Service will be endorsed by the responsible Deputy Director and submitted through the Director of Personnel to the Deputy Director (Support) for approval.

7. STAFFING COMPLEMENT (See appendix 3)

a. The approved planning paper for a component is the basis for establishing the staffing complement. The numbers indicated for the flexible positions on the planning paper are not listed on the staffing complement and the only administrative limitation on the number of occupants who may be assigned is provided by the staffing authorization of the responsible Career Service.

b. All personnel officially assigned to a component in a workload status,

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i.e., actually participating in discharging the mission of the component, will be assigned to a staffing complement position.

c. Transfers in and out of the staffing complement and reassignments within the staffing complement will be by formal personnel actions.

8. USE OF DEVELOPMENT COMPLEMENT (See appendix 4)

a. Transfers in and out of the development complement and changes in category within the development complement will be by formal personnel actions. It will be noted that personnel arriving from or departing for overseas stations may be carried on development complements for periods of training, travel and leave. Components responsible for staffing the overseas stations are responsible for briefing, debriefing, processing, and control of such personnel.

(1) Development Complement Personnel Counted Within Career Service Ceiling

As a general rule persons who may be expected to be in the following categories for periods of 30 days or more should be promptly assigned to the development complement. It is recognized that common sense will be exercised in making such assignments.

(a) Appointees

New employees whose initial orientation and training will exceed 30 calendar days from their EOD date.

(b) Casuals

(1) Returnees who are in transit from one PCS assignment to another, and who are on home leave or are held at headquarters for 30 days or more for consultation, medical examinations, and other processing.

(2) Overseas assignees who, for the purpose of processing or on-the-job orientation, cease to function in a staffing complement position.

(3) PCS returnees who temporarily but for periods exceeding 30 days are not assigned to a headquarters staffing complement position.

(c) Extended Training

Individuals who are engaged in full-time training for continuous periods exceeding 30 days.

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(d) Holds

Individuals who cannot be assigned to a staffing complement pending approvals, such as medical, security, [redacted] (b)(3)

(e) Detailed Services

Individuals formally detailed outside the Agency for periods in excess of 30 days.

(f) Other

This category will include those individuals who are not properly chargeable to a staffing complement but whose status does not clearly fall within a category listed above. Examples are unpredicted terminations of assignment, retirement processing, extended leave where the individual is in a pay status, etc.

(2) Development Complement Personnel Not Counted Within Career Service Ceiling

Individuals who have been placed in LWOP status, by official personnel action, for a period in excess of 30 days, are not counted within Career Service ceiling.

b. Timing of assignment and reassignment actions will normally be as follows:

(1) New appointees, if in the development complement, will be transferred to the staffing complement as of the beginning of the next pay period following the date the individuals begin processing for their assigned positions.

(2) Returnees from overseas, whether they are to be assigned to a headquarters staffing complement, another overseas station staffing complement, or temporarily to the development complement, will be transferred from their former overseas staffing complement assignment at the beginning of the pay period following their reporting to headquarters for duty.

(3) Personnel assigned to overseas staffing complements from headquarters staffing or development complements, with no extended training involved, will normally be transferred at the beginning of the pay period preceding the date of their departure for the overseas station.

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9. BUDGETARY AND ACCOUNTING PROCEDURES

a. Principles and procedures now used will not be affected by this system.

b. Budget submissions will be compiled on an organizational basis. The various Career Service staffing authorizations will serve as a refinement and outside limit to the approved grade structure. Each Operating Official who is also the Head of a Career Service will provide for his development complement in the submission of a budget estimate for his component as a general policy. Unusual budgetary situations may be met through special arrangements with the Head of the Career Service, the Comptroller, and other Agency elements concerned.

c. Individuals assigned to a development complement will be charged to an allotment account of the component under the control of the Head of the Career Service.

d. [redacted] (b)(3)

10. PERIODIC REVIEW OF POSITION CONTROL REGISTER

The periodic machine listings of the Position Control Register, together with the development complement incumbency listings will be reviewed by the Management Staff, the Office of Personnel, the Comptroller, and Heads of Career Services for the following:

a. Management Staff

(1) Status and trends in the use of flexible positions and the impact of their use on the organization, structure, and functions.

(2) Manpower use.

b. Office of Personnel

(1) Status and trends in the use of flexible positions

(2) Adherence to established principles for the use of the development complement including time limitations on assignments, appropriateness of use of the complement, and the status of "hold" and other problem cases.

c. Comptroller

(1) Budgetary trends reflected by changes in the Position Control Register.

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(2) Status and trends of dollar costs represented by assignments to the development complements.

d. Heads of Career Services

(1) Assuring the proper assignment of their service designees to staffing and development complements.

(2) Monitoring reasons and duration of development complement assignments.

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COMPUTATION OF THE GRADE DISTRIBUTION FOR THE DEVELOPMENT COMPLEMENT

The following is a step by step procedure to determine the grade distribution allowance for the development complement. This can only be done after the Career Service Head has determined the number of spaces allocated to the development complement.

1. List by grade and total all on-duty civilian Career Service designees, GS-7 through GS-13. (This category of employees is selected as most representative of the professional personnel who will be used in development complement status and for whom some allowance must be made.)

2. Compute the percentage of the total designees GS-7 through GS-13 (step 1 above) which is at each grade.

3. Using the percentages for each grade determined in step 2, compute the number of spaces at each grade. (% X planned number of development spaces.) This is the grade distribution for the development complement.

COMPUTATION OF DEVELOPMENT COMPLEMENT SPACES

GS	No. of Development Complement Spaces	On-Duty CS Designees By Grade GS-7 thru 13	Percent of Total Designees at Each Grade GS-7 thru 13	Development Complement Grade Distribution Allowance

(b)(3)

(Previously determined by Head of Career Service)

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MILITARY GRADES

MILITARY PAY GRADE	ASSIMILATED CIVILIAN GRADE
O-9 and O-10	GS-18
O-8	GS-17
O-7	GS-16
O-6	GS-15
O-5	GS-14
O-4	GS-13
O-3 and W-4	GS-12
O-2 and W-3	GS-11
W-2	GS-10
O-1 and W-1	GS-9
E-7, E-8 and E-9	GS-8
E-6	GS-7
E-5	GS-6
E-4	GS-5
E-1, E-2, and E-3	GS-4

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STAFFING COMPLEMENT

POSITION TITLE	OCC. CODE GRADE	POS.#	SD	INCUMBENT	OCC. CODE GRADE	POS.#	SD

(b)(3)
(b)(6)

Appendix 3

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DEVELOPMENT COMPLEMENT INCUMBENCY LIST

A CAREER SERVICE

NAME	OCCUPATIONAL CODE	GRADE	DATE IN	DATE OF STATUS CHANGE	DATE OUT
COUNTED AGAINST CEILING					
APPOINTEES					

(b)(3)
(b)(6)

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Appendix H

19 March 1958 Brief for CIA Career Council
on (Proposed) Compensation System

Attachments

H-1 Some Principles of Salary Administration
H-2 Table of Initial Conversion
H-3 Proposed Agency Compensation Schedule
H-4 CIA classification policy letter of 10 August 1949
(and referenced CSC letter)

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Appendix H

19 March 1958

BRIEF FOR THE CIA CAREER COUNCIL

SUBJECT: Compensation System

1. The Agency has elected to conform to the principles and many of the rules, procedures and schedules of the Classification Act of 1949, although not required to do so by law.

2. Two most fundamental questions need to be examined by the Council:

"Can a system of compensation which better meets the needs of the Agency be devised?"

"If it can be devised, can concurrence of the highest levels of the Government be obtained to put it into effect?"

3. The attached "think piece," which is not necessarily a definitive plan worked out in complete detail, is presented in order to stimulate discussion and guidance from the Council. The new Manpower Control System presented at the Council's last meeting, the Compensation System, herewith, and a Retirement System, to be discussed by the Council in April, are all interrelated.

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19 March 1958

A COMPENSATION SYSTEM for the CENTRAL INTELLIGENCE AGENCY

1. INTRODUCTION

A revision of the Agency's system of compensation and wage administration will require the approval of the Bureau of the Budget and the House and Senate Appropriations and Armed Services Committees. In reviewing the system herein described the Career Council should weigh the advantages it will bring to the Agency against the problems associated with introducing such a plan at this time.

2. SUMMARY

a. This compensation system for Agency personnel is designed

(1) to afford a mechanism for a better personnel management program, and

(2) to maintain a definite relationship to the existing Government salary structure.

b. The system embraces the following features which are in consonance with industrial pay practices, and with recent Government compensation studies (Refer to H-1).

(1) Consolidation of 9 grades (GS-7 through GS-15) into five new groups.

(2) Extension of salary ranges in each group in varying degrees to a 48% maximum of the base rate.

(3) Overlapping salary ranges.

(4) Elimination of the automatic periodic step increase above the grade 6 (GS-6) level.

(5) Two types of advancement:

a.1 Step increase at the lower levels to be granted in accordance with current practice,

a.2 Merit increase at the upper levels, based on performance, to be granted by the responsible Operating Official with the concurrence of the Head of the Career Service concerned; and

b. Competitive grade promotion by the Career Services.

(6) The conversion of all employees GS-8 through GS-15 to the lowest group which will accommodate their present scheduled salary ranges. This will provide an opportunity for adequate screening prior to subsequent selection to higher levels (refer to H-2).

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REVISED COMPENSATION SCHEDULE Refer to H-3

(Group GR-1 through GR-6, same as General Schedule GS-1 through GS-6)

Old Grade	New Group	No. of Steps	Bottom Step of Group	Increments	Top Step of Group	Percentage Range
GS-07	GR-07	17	$ 4525	$135	$ 6685	48%
GS-11	GR-08	15	$ 6390	$215	$ 9400	47%
GS-13	GR-09	15	$ 8990	$215	$12000	33%
GS-14	GR-10	15	$10320	$215	$13330	29%
GS-15	GR-11	10	$11610	$270 ($215)	$14040	21%
GS-16	GR-12	10	$12900	$215	$14835	15%
GS-17	GR-13	8	$13975	$215	$15480	11%
GS-18	GR-14	1	$16000	--	16000	0%

3. SOME SIGNIFICANT ADVANTAGES

The principal advantages to the plan relate directly to the following features: the extended ranges for each grade; merit (or earned) step increases; overlapping of salary rates between grades. The plan will:

a. Permit merit increases (one to three increases at a time) in pay without change in grade. Under the present system of compensation significant increases in pay can be achieved only through promotion; in-grade advances are slow, and top salary of the grade is not greatly higher than the base. This has resulted in a very bleak prospect for many employees who are capable of fine work but who, for one reason or another, cannot reliably hope to be advanced to the next higher grade. A case in point is the situation to be found among the many GS-15's in the Agency. It is well known among them that relatively few will achieve grade GS-16 in the foreseeable future, and the rest are left without pay incentives.

b. Advancement from one grade to the next higher as a result of competitive promotion will occur less frequently than at present. Career Service boards and panels will handle fewer cases and will be able to make better selections. Promotions will then become more significant as a mark of status.

c. The grade structure will conform more exactly with definable levels of responsibility. There are not seven levels of work between GS-7 and GS-15 that mean anything. There are junior professionals (group 7) journeymen

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(group 8), intermediate levels (group 9), and probably two levels of senior professionals (groups 10 and 11). By doing away with the hair-splitting between the duties and functions of, for example, the present GS-11 and GS-12 case officers and analysts, and introducing broader, more meaningful categories of personnel, we can simplify our job and organizational structure and assignment of personnel will be facilitated.

d. Meritorious advancement of an individual into the overlapping pay range of the next higher new group can be used as a means of rewarding the specialist who could not be expected to assume general duties at the next grade level in his Career Service. It can also be used as an incentive for the man who, through no fault of his own, has been denied an opportunity to demonstrate his qualifications for competitive promotion but whose career plan provides for such opportunity in the future.

e. The process of conversion of each employee in GS-8 to GS-15 to the lowest group which accommodates his current salary range will permit selection of personnel for advancement to a higher group. At the same time persons not selected for subsequent promotion will retain the same compensation potential as under the GS schedule. If such subsequent selection is done wisely, the more competent personnel will advance to the top levels.

4. CAREER SERVICE CONTROL IN LIEU OF T/O CONTROL

a. Historical

The Agency underwent rapid expansion from its inception in 1947 until the close of the Korean conflict. During this period, a substantial number of Tables of Organization were authorized on the basis of projected programs and functions. These T/O's contained an abundance of high graded positions. This resulted in the rapid advancement of many employees, the recruitment of specialists at high grades and the lowering of qualification standards. This accelerated growth of the Agency and rapid increase in pay took place without the benefit of coordinated planning and monitoring by management. Subsequently, the Career Service System was inaugurated, which today provides an instrument which can plan and control pay administration.

b. Present Personnel and Staffing Situation

Today the following conditions exist:

(1) Some Career Services provide ample opportunities for advancement while other Career Services provide practically none.

(2) Qualifications of personnel at the same grade level, even within Career Services, are widely divergent.

(3) Many young employees are confronted with limited opportunities for advancement

(4) The large majority of personnel obtain step increases without careful regard to level of performance.

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c. Adopted and Proposed Remedial Measures

(1) The Competitive Promotion System, recently adopted, affords the mechanics for the promotion and assignment of personnel and permits, under certain conditions, the overslotting of employees on the T/O.

(2) The Staffing/Development Manpower Control System provides the following:

(a) Allocation of personnel ceiling by Career Services

(b) Establishment of an annual Career Service Staffing Authorization to administer equitably a coordinated salary control. This is the result of careful planning for the composition and structure of each Career Service to best fulfill Agency requirements in the most economical manner. This controls the planned attrition, recruitment and number of promotions of personnel at each level.

(c) Flexibility for Operating Officials to redistribute ceiling as required without the necessity of all the red tape inherent in the rigid Table of Organization System.

(d) Distinction between individuals officially assigned to work burden positions and those in training, casual status, etc., in order to obtain a better understanding of staffing requirements and employee utilization problems.

d. Effect of the Revised Compensation System on the Control of Payroll Costs

The installation of the revised Compensation System will allow payroll costs to vary considerably under the recently adopted annual Career Service Staffing Authorization which limits the number of employees at each grade. The reasons for this are the establishment of wider salary ranges at each grade level, overlapping salary rates, and substantial merit step increases of a non-automatic nature.

e. Control

(1) It is proposed that each Career Service Head at the time of the preparation of the annual Career Service Staffing Authorization establish limitations on the total number of meritorious step increases that may be granted employees under the control of his Career Service. These limitations would be incorporated into the annual Career Service Staffing Authorization and subjected to the same review and approval by the responsible Deputy Director, the Director of Personnel and the Deputy Director (Support).

(2) Factors to be considered in the establishment of these limitations for merit increases are:

(a) current compensation of members of each Career Service translated into average salary for each grade;

(b) number of planned promotions proposed;

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(c) the Agency's budget prospects.

(3) Accordingly, within approved Staffing Authorizations, the Career Service concerned will approve all grade promotions. Merit increases will be controlled by a Career Service accounting system which will distribute those actions equitably throughout the Service and throughout the budget year.

(4) The principles of position evaluation will be utilized in the analysis of organizational and career service staffing requirements in setting Staffing Authorizations. This is essential to maintain satisfactory wage alignment among the organizations and the Career Services. Position surveys will be made to

(a) obtain information necessary for Career Service Staffing Authorization revisions,

(b) advise Operating Officials and Career Service Heads on the status of job levels versus compensation levels,

(c) provide the Director of Personnel with information on personnel utilization, and

(d) obtain wage data and salary data from other Government agencies and industry to enable CIA to maintain as competitive a position in compensation as is possible.

(5) With the establishment of fewer and more readily defined grade levels, standard positions descriptions prepared by Office of Personnel with concurrence from the Career Services will replace the position guidelines now in use and will serve to guide Operating and Career Service Officials in personnel assignments, utilization, and compensation.

5. DESCRIPTION OF A COMPENSATION SYSTEM FOR CIA

a. Construction of the Compensation Schedule (refer to H-3)

The Compensation Schedule is a system of fourteen groups based primarily on the Government General Schedule. It involves the following combinations:

Groups 1 through 6 (GR-1 through GR-6) are exactly like the same grades in the General Schedule (GS-1 through GS-6).

Groups 7 and 8 (GR-7 and GR-8) are essentially combinations of GS-7 through GS-9 and GS-11 and GS-12 respectively with ranges of 48% and 47%.

Groups 9, 10, and 11 (GR-9, GR-10 and GR-11) are fundamentally GS-13, GS-14, and GS-15 with ranges extending from 33% to 21% over the base pay rate.

Groups 12, 13, and 14 are Supergrade positions (GS-16, 17 and 18) with salary range extensions of 15% and 11% for GR-12 and GR-13.

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The base rates for all Groups correspond to the base rate for the lowest GS grade encompassed. This will permit adaption of subsequent GS pay increases without complication.

b. Use of the Professional Schedule

(1) In-Hiring Rates: In-hiring rates will normally be at the base of the group unless advanced recruitment rates have been authorized for the job or applicant as specified in paragraph 5 (page 7).

(2) Periodic Step Increases: Groups 1 through 6, one step per year for satisfactory work performance. Group 7 and above - none.

(3) Longevity Step Increases: Groups 1 through 6 - Longevity increases will be given in accordance with approved Federal practices. Group 7 and above - none.

(4) Merit Step Increases:

(a) Increases for persons in Group 7 and above can be awarded in recognition of:

(1) Growth of an individual in the performance of his duties over a period of time,

(2) Excellent performance of duties for a sustained period of time, and

(3) Exceptional contribution to the success of the Agency's mission.

(b) Size: Merit step increases for Group 7 will be from one to seven steps. Merit step increases for Group 8 and above will be from one to three steps. The size of the increase will be in proportion to degree of the employee's performance in comparison to that of other employees of the same grade and salary.

(c) Eligibility: An employee's eligibility for a merit increase will depend on his performance in comparison with others in his unit area and the availability of spaces for such increases, as determined by the Career Service concerned.

(d) Method of Approval: An employee's performance will be assessed at least once annually for consideration of a possible merit increase. Normally, this will be coincidental with the preparation of the Fitness Report. Merit increases will be recommended by Operating Officials, and concurred in or disapproved by the Head of the employee's Career Service which will control the number of increases in relation to the Staffing Authorization. Concurrence by the appropriate Career Service will be subject to final approval by the Director of Personnel. Merit increases above the base salary of GR-12 (supergrade) will be subject to approval by the Supergrade Review Board. This requirement thus applies also to steps 6 through 10 of Group 11.

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(e) Effect of Merit Increase on Promotion: The receipt of one or more merit increases will not affect the eligibility of an individual for a grade promotion. The receipt of such increases will be an indicator to Competitive Evaluation Panels of the employee's ability.

(5) Advanced Recruitment Rates:

(a) Purpose: Recruitment at salary steps above the base salary of the Groups may be authorized by the Director of Personnel:

(1) To meet competitive labor market conditions for critical categories of personnel;

(2) In recognition of an individual's outstanding qualifications of direct application to the position which he is to fill.

(b) Method of Approval:

(1) Scarce or Critical Occupational Categories:

(a) Advanced base rates may be approved by the Director of Personnel for the recruitment of personnel in job categories whenever Agency recruitment experience and wage surveys indicate such action is required for successful recruitment.

(b) The qualifications of all personnel on duty in the Agency who are assigned to a position for which an advanced base rate has been approved will be reviewed at that time for individual salary adjustments commensurate with their ability, experience and suitability.

(2) Individual Applicants: Whenever an individual applicant possesses outstanding qualifications for a specific vacancy, he may be recruited at any step above the base rate, when necessary to effect a successful recruitment. Such action must be approved by the Director of Personnel. Requests will be considered for approval on the basis of:

(a) Degree of qualification for the specific job.

(b) Applicant's current salary level.

(c) Applicant's long range potential.

(d) Availability of other qualified applicants for the position.

(e) Salary levels for the occupation outside the Agency.

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(f) Alignment of proposed advance rate with salaries held by Agency personnel performing similar work. Individual advanced rates approved for applicants will not result in an adjustment of salary rates for personnel on duty.

(6) Promotion Time-in-Grade Requirements: GR-1 through GR-6 - same Agency time-in-group guidelines apply. GR-7 and above - no time-in-group requirements.

c. Installation of the Revised Compensation System

(1) This system has been designed to achieve specific goals with a minimum of change to basic personnel and administrative procedures. However, some Agency regulations and basic procedures will need modification. These would include:

(b)(3)

[redacted] paragraph A(2), "Agency Policy Relative to the Classification Act of 1949" (refer to H-4)

[redacted] paragraph H, "Starting and In-Service Pay Rates"

[redacted] "Ceiling and Position Authorization"

[redacted] Section 5(a), "Time in Grade Promotion Requirements"

[redacted] "Pay Administration"

(2) The Compensation Schedule: This schedule will be the basis of compensation for all employees except Wage Board types. Examples of the kinds of positions characteristic of each grade are as follows:

Intelligence Production (DD/I)

GR-7 Junior Officer - Trainee - Sub-Journeyman

GR-8 Journeyman - Application of technical specialty and/or intelligence analysis know-how on a variety of projects.

GR-9 Senior Officer is either a technical specialist or a supervisor. Work involves knowledge of difficult technical assignments in specialty; work of others; and responsibility for improvement of the intelligence system.

(b)(3)

GR-10 Expert is either a supervisor with program responsibility (Branch Chief, Deputy Division Chief) or a Staff Officer with Office or Agency-wide purview.

GR-11 Executive - Supervisor with program responsibility (division Chief, Major Branch Chief, etc.).

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Clandestine Operations (DD/P)

GR-7 Junior Officer - Assists Case Officers, handles routine projects under close supervision, and progresses to more substantive work.

GR-8 Journeyman - Full scope of Case Officer duties, full range of projects, effective agent handling. Requires good knowledge of tradecraft, area and language knowledge.

GR-9 Senior Officer - Handles large, difficult or extremely sensitive projects involving thorough knowledge of tradecraft, area and language knowledge.

Supervisory - Base Chief - Section Chief

Chief, FI, PP/Ops at medium stations

GR-10 Expert - Staff Officer - Station or Base Chief

Chief, Ops - Branch or Deputy Chief

Technical Specialist - Outstanding Case Officer whose talents are best utilized in non-administrative work.

GR-11 Executive - Station Chiefs - Senior Branch Chiefs having clearly defined administrative responsibility for a substantive program. Requires ability to handle a variety of jobs in different geographical areas.

Support (DD/S)

The principles which have been used in delineating the Group levels for the DD/I and the DD/P will be used for the Group levels in the DD/S.

(3) Conversion to the Compensation Schedule

(a) Positions: The Deputy Directors will instruct Career Service Heads and Operating Officials under their jurisdiction to analyze their requirements for positions in light of the simplified wage structure for the purpose of developing and presenting realistic staffing requirements. After coordination at the Deputy Director level, these proposed staffing requirements will be processed in accordance with Agency procedures and used as a basis for initial revised Staffing Authorizations.

(b) Personnel: Personnel GS-7 and below will convert to the same numbered group under the Revised Compensation Scale. Personnel GS-8 through GS-15 will convert to the lowest group compatible with their present salary range. (Refer to H-2.)

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H-1
19 March 1958

SOME PRINCIPLES OF SALARY ADMINISTRATION

as found in Industry
and
as recommended by Government-wide Committees

Most industrial and commercial organizations will not release detailed information on their wage and salary policies. The general picture on industry relative to salaries is discernible, however, because of surveys conducted by industry itself. Without identifying companies, articles are written, reports made, etc., that summarize broad findings on non-Government compensation practices. Likewise, basic principles and theories have been advanced by several important Government-wide Committees and Commissions.

1. Fewer Grades for Professional People

The Hoover Commission recommended combining grades GS-1 through GS-6 into three grades and GS-7 through GS-11 into three grades. Thus eleven grades are reduced to six.

Robert E. Sibson, Personnel Manager for Schick, Inc., expresses the objective for industry very well in an article on salary administration appearing in the Harvard Business Review, November-December 1956: "Starting with the overall range of jobs from the highest to the lowest value, the objective is to group positions that are more or less similar in one grade. If the grades are too broad, dissimilar jobs will be grouped together and receive the same pay range. On the other hand, if too many grades are established, administrative difficulties are multiplied and companies are forced to make very fine distinctions in slotting basically similar positions into different grades."

2. Extensions of Salary (Grade) Ranges:

In theory, the breadth of a given grade in dollars should encompass the individual differences of incumbents performing at that grade. Merck and Company expresses it this way: "The number of step increases in each range is limited to the number of degrees of performance which can be readily ascertained." They use "five step rates...and six for certain of the higher levels." In terms of percentage of spread from a base figure, Carrier Corporation indicates, "At the lower end the salary rate spread between the minimum and maximum is about 30%." This increases to a little over 50% in the top groups." Earl F. Paul, Supervisor, Wage and Salary Section, Standard Oil Company of Indiana, indicated his view before the National Industrial Conference Board, February 1957, "... salary ranges generally have a spread of from 30% to 50% with an overlap to the next grade of about one-half to slightly more than one-half." In general, the most quoted references on industry pay practices are those conducted by the American Management Association. A 1956 report by this group on over 400 American industries disclosed that grade ranges of from 30% to 60% were not uncommon. Likewise, the Defense Advisory Committee on Professional and Technical Compensation (th

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Cordiner Committee) after screening 93 industrial firms focused carefully on 26 large American corporations and found:

7	companies	range between	20% - 30%	above minimum
7	"	"	30% - 40%	" "
5	"	"	40% - 50%	" "
7	"	"	50% - 74%	" "

3. Elimination of Periodic Pay Increases:

Various Committees of Government - i.e., White House Committee, Hoover Committee, and the Cordiner Committee - in recent time all uncovered the same situation stated in the following quote: "He (the average worker) progresses through the salary range for his grade level on the basis of length of service in that grade. Merit comes into play only in promotion from one grade to another." In industry, by contrast, these Committees learned that in-grades were awarded on a man's work performance. In short, merit pay increases indicate standard practice in compensation.

4. Merit Step Increases:

Upon advancement from one grade level to the next, presumably professional growth is reflected. Measurable growth not occurring rapidly requires that a man remaining in his grade should receive merit increases from time to time. Earl F. Paul, Standard Oil Company of Indiana, defines these terms as follows: "When their experience (he speaks of professionals) and performance warrants it, these employees are moved into the next professional classification by what might be called a 'growth promotion'. The growth promotions differ from regular promotions in that they do not involve replacements for vacated jobs. In the interim, while acquiring the experience needed for a growth promotion, merit increases within the limits of prevailing salary ranges are available." The Committee on Engineers and Scientists for Federal Government Programs reported in April 1957, on the subject. "Furthermore, the present system does not provide for merit increases to select individuals, but only periodic increases based on seniority. (Ninety percent of the scientists and engineers participating in the attitude survey feel that better performance warrants higher pay.)" Thus sufficient findings exist both in theory and in practice to support the contention that within-grade advancement should be based primarily on merit. But here is a final thought gleaned from the aforementioned Cordiner Report: "Progress of an employee between the minimum or the in-hiring and the maximum rate, almost without exception, is reported as being on the basis of merit. A few firms reported progress within the range was based on length of service; several indicated it was based on a combination of merit and length of service and some instances were reported whereby advancements within the first part of the range were automatic (assuming satisfactory service) and advancement in the higher part of the range was based on merit."

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EYES ONLY

19 March 1958

TABLE OF INITIAL CONVERSION

Numbers and Percentages as of 31 December 1957

Present Distribution of Agency Personnel			Conversion - Initially	Proposed Distribution of Agency Personnel		
General Schedule	Number of Employees	% of Total		Proposed Schedule	Number of Employees	% of Total
2			→	2		
3			→	3		
4			→	4		
5			→	5		
6			→	6		
7			(b)(3)			
8			→			
9			→	7		
10			→			
11			→	8		
12			→			
13			→	9		
14			→	10		
15			→	11		
16			→	12		
17			→	13		
18			→	14		
Totals				Totals		

(b)(3)

EYES ONLY

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PROPOSED AGENCY COMPENSATION SCHEDULE

19 March 1958

PRESENT SYSTEM General Schedule (GS) Grade	PROPOSED SYSTEM OF GROUPS Rates Within Group															
	Group	Regular Range							Extended Range							
1	1	2690	2775	2860	2945	3030	3115	3200	3285	3370	3455					
2	2	2960	3045	3130	3215	3300	3385	3470	3555	3640	3725					
3	3	3175	3260	3345	3430	3515	3600	3685	3770	3855	3940					
4	4	3415	3500	3585	3670	3755	3840	3925	4010	4095	4180					
5	5	3670	3805	3940	4075	4210	4345	4480	4615	4750	4885					
6	6	4080	4215	4350	4485	4620	4755	4890	5025	5160	5295					
7, 8, 9, (10)	7	4525	4660	4795	4930	5065	5200	5335	5470	5605	5740	5875	6010	6145	6280	6415	6550	6685
(10), 11, 12	8	6390	6605	6820	7035	7250	7465		7680	7895	8110	8325	8540	8755	8970	9185	9400	
13	9	8990	9205	9420	9635	9850	10065		10280	10495	10710	10925	11140	11355	11570	11785	12000	
14	10	10320	10535	10750	10965	11180	11395		11610	11825	12040	12255	12470	12685	12900	13115	13330	
15	11	11610	11880	12150	12420	12690	12960		13230	13500	13770	14040						
16	12	12900	13115	13330	13545	13760			13975	14190	14405	14620	14835					
17	13	13975	14190	14405	14620	14835			15050	15265	15480							
18	14	16000																

NOTE: The dollar value of each step is exactly the same in both the GS system and the GR system for levels 1 through 6.

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H-3

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10 August 1949

Mr. Ismar Baruch
Chief, Personnel Classification Division
United States Civil Service Commission
Washington 25, D. C.

Dear Mr. Baruch:

Thank you for your letter of 8 August stating the official judgment of the Civil Service Commission to the effect that sections 7 and 10(b) of Public Law 110 (81st Congress) do not require the Commission to enforce the Classification Act within this Agency.

You may be assured that in our internal personnel administration we will be goverened by the basic philosophy and principles of the Classification Act, the Civil Service Commission's allocation standards, the pay scales, the within-grade salary advancement plans, and the pay rules of the Classification Act, as they may be amended from time to time, in substantially the same manner as proveded for other agencies.

Your willingness to be of service and to assist us in classification problems is very much appreciated, and we will certainly be calling upon you from time to time for such assistance.

I wish again to thank you and, through you, the Commissioners for the very fine support you have given us in the past and the understanding with which your representatives have dealt with the difficult problems they have encountered in this Agency.

Sincerely,

/s/

R. H. HILLENKOETTER
Rear Admiral, USN
Director of Central Intelligence

NOTE: This correspondence will be given no publicity. We will continue as in the past, to comply in spirit as well as in letter, to the fourth paragraph of Mr. Baruch's letter.

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UNITED STATES CIVIL SERVICE COMMISSION
Washington 25, D. C.

August 8, 1949

Rear Admiral R. H. Hillenkoetter, USN
Director
Central Intelligence Agency
Washington 25, D.C.

Dear Admiral Hillenkoetter:

Following the receipt of your letter of June 30, 1949, we took up officially with the Commissioners the question whether under the Central Intelligence Agency Act of 1949, the Agency is mandatorily subject to the provisions of the Classification Act of 1923, as amended.

It is the official judgment of the Commission, based on sections 7 and 10(b) of the Central Intelligence Agency Act of 1949, that the Agency is not required, as a matter of law, to follow the Classification Act, and that the Commission, therefore, as a matter of law, is not required to enforce that Act within your Agency.

This decision does not affect the status of employees or positions with reference to other laws, such as the Civil Service Act or the Retirement Act.

We are gratified to learn that not withstanding the legal conclusion stemming from the terms of the statute, you intend, as an administrative policy, to follow the basic philosophy and principles of the Classification Act, the Civil Service Commission's allocation standards, the pay scales, the within-grade salary advancement plans, and the pay rules of the Classification Act, as they may be amended from time to time, in substantially the same manner as the Classification Act provides.

Under these conditions, we are glad to offer our services as a source of information, advice, and the certification of advisory allocations when you desire such action. We appreciate the soundness of your administrative policy with respect to position-classification and salary standardization. Within our resources, we will do all we can to aid you.

Sincerely yours,

/s/
Ismar Baruch, Chief
Personnel Classification Division

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Appendix I

List of Key Personnel and Organizational Changes in CIA Position Classification Program

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Appendix I

List of Key Personnel and Organizational Changes
in CIA Position Classification Program

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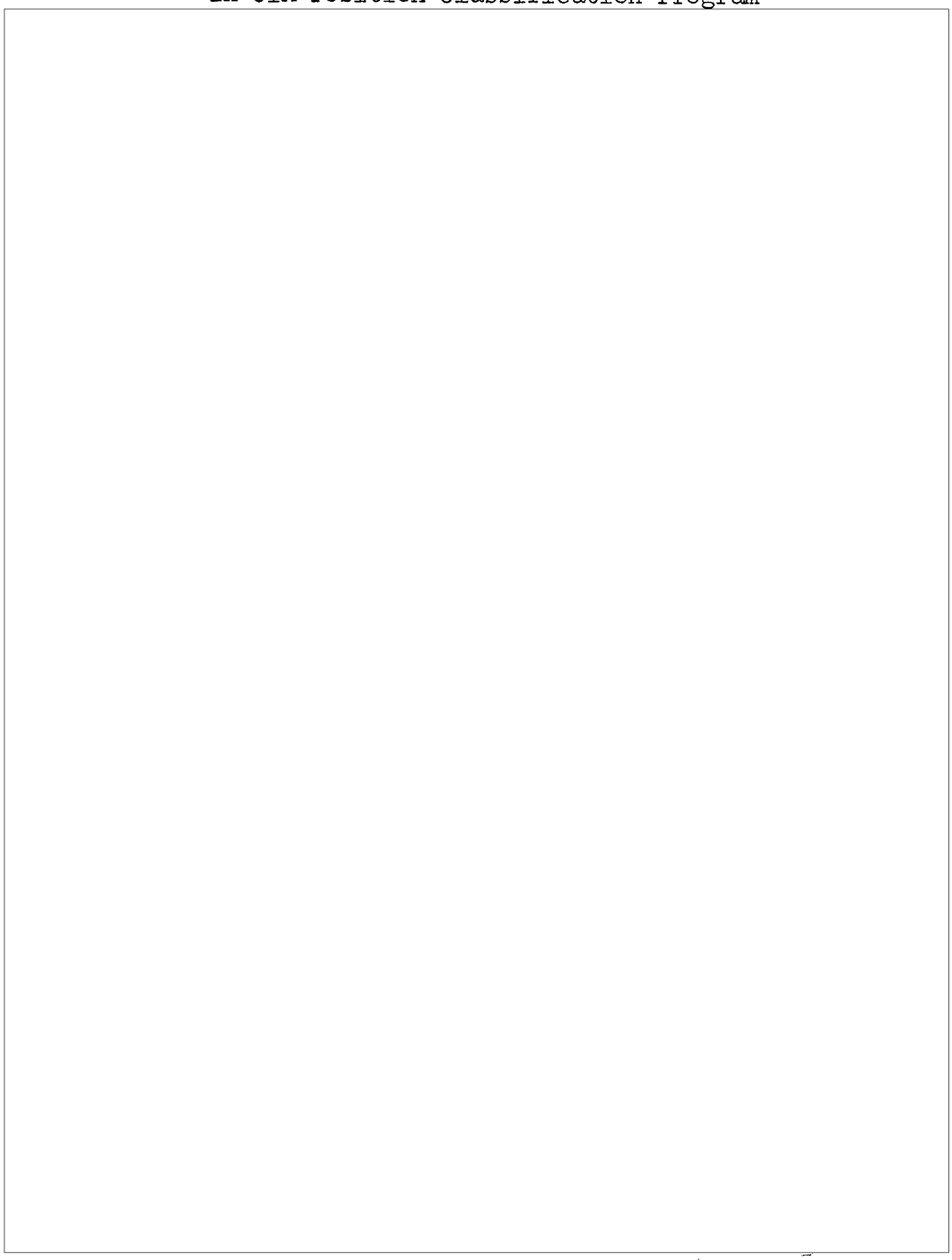

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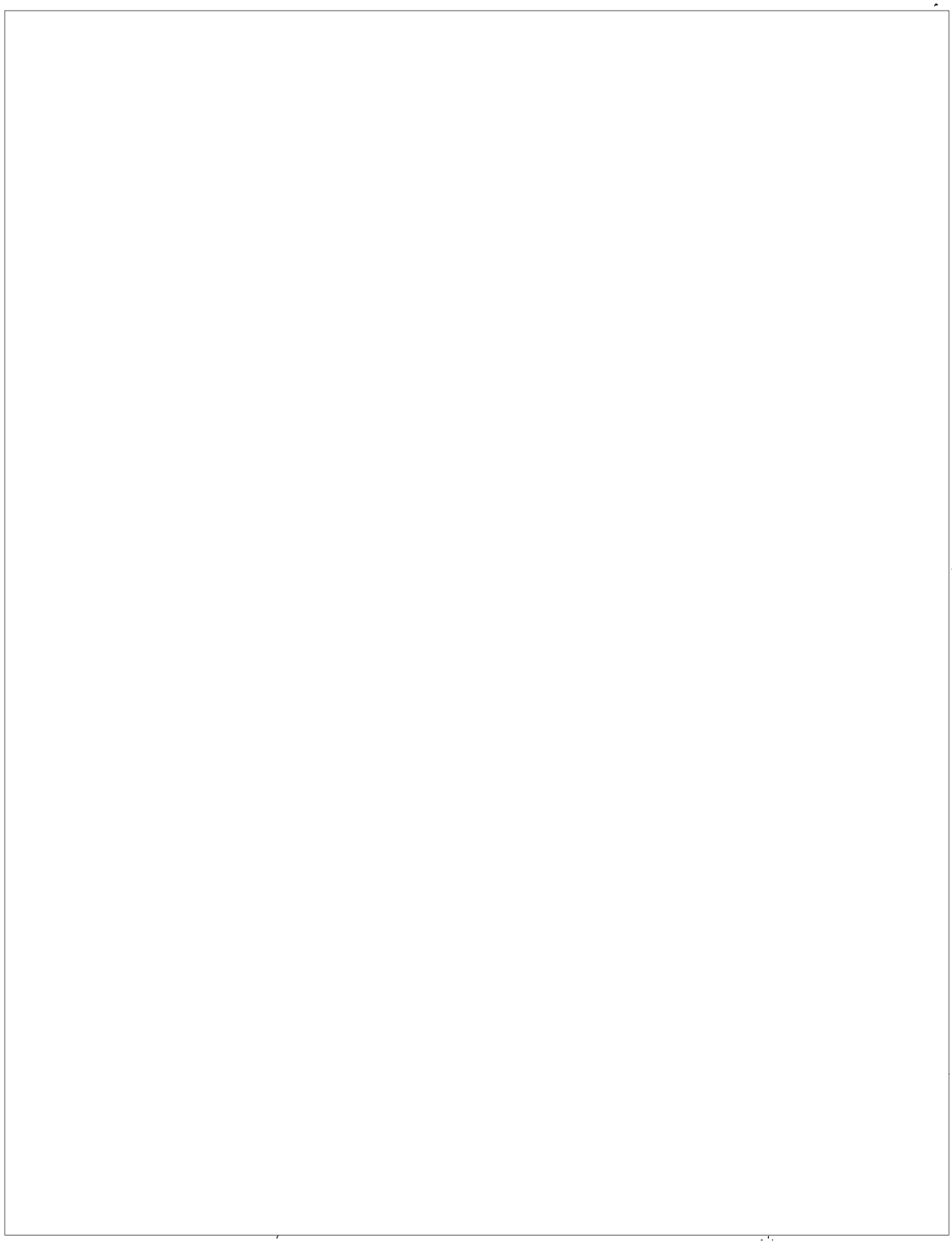

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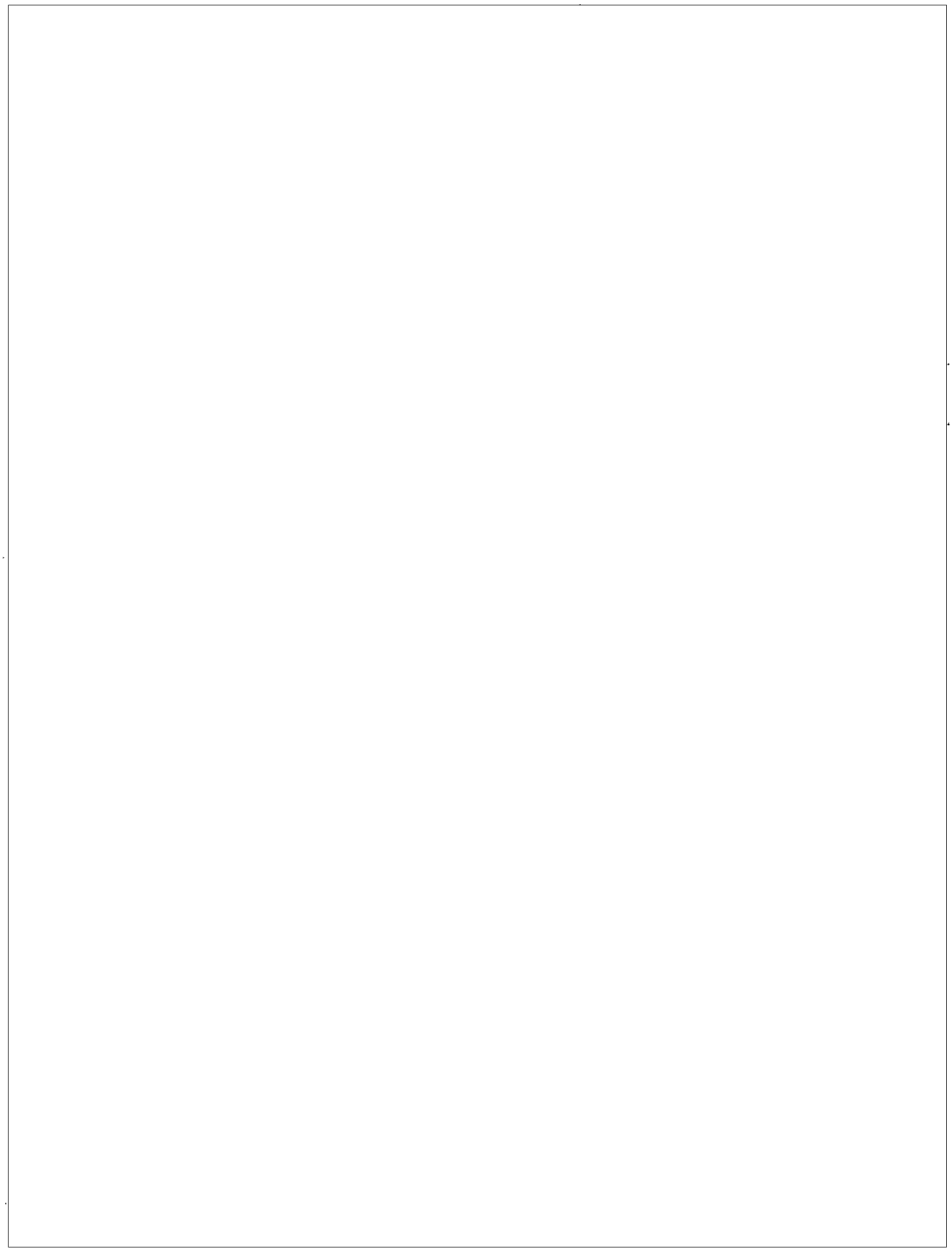

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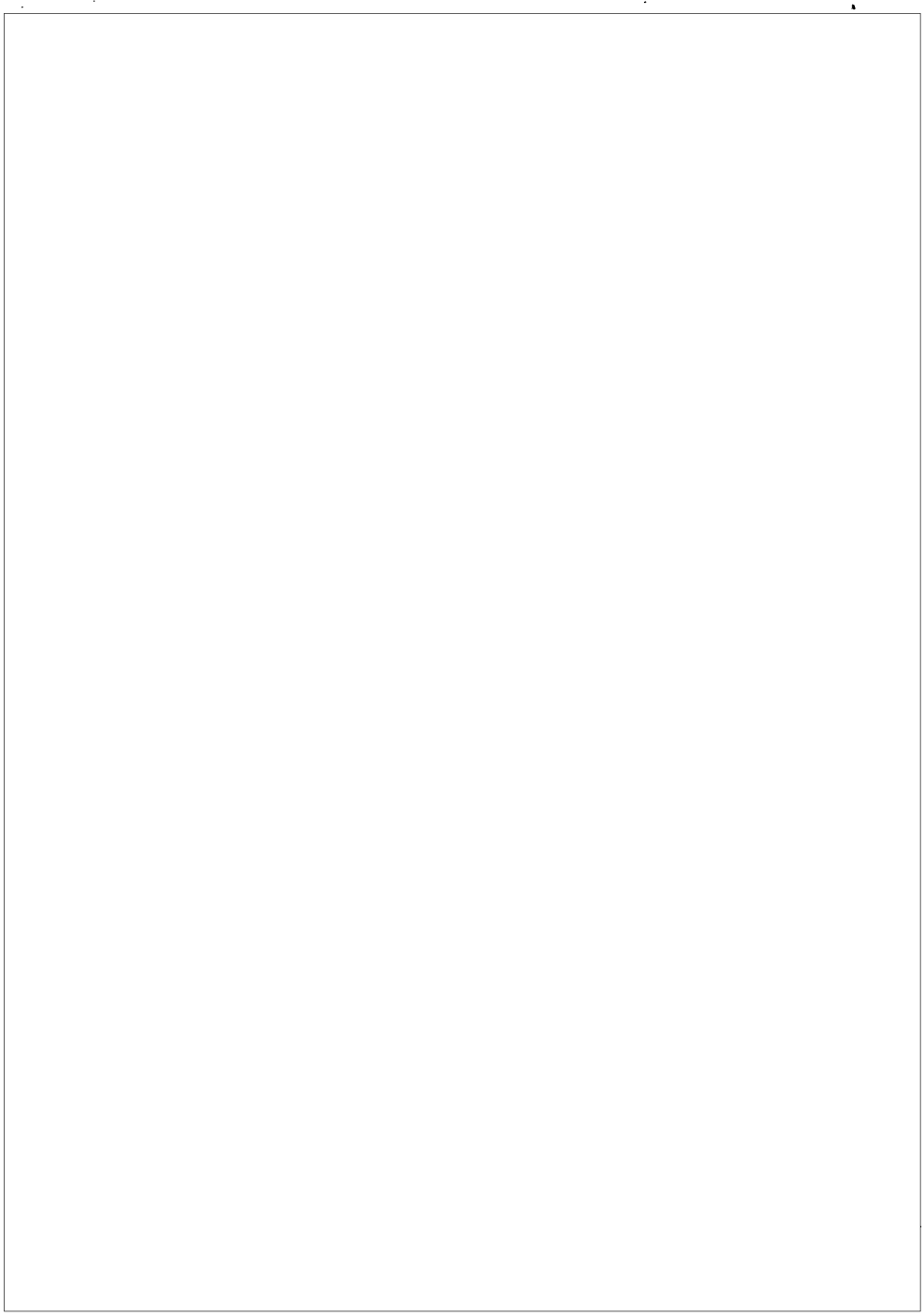

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Appendix J

Sources

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Appendix J

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